THE STARTUP LIFECYCLE AND FUNDING INSIGHTS FROM INDIAN TECH STARTUPS

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ABSTRACT

This paper provides an insight to the startup lifecycle stages of growth and financing strategies specific to technology startups. These technology based startups often face unique challenges due to fast changing innovation cycles, high capital requirements, and competitive market pressures. All the technology startups naturally progress through several stages - ideation, proof of concept, prototyping, product development, market entry, scaling, and maturity. During early stages, innovators/ founders rely on personal savings, grants, angel investors, or seed funding to develop and reach the minimum viable product (MVP) and validate their ideas. Once the startup gains traction, venture capital funds and investors become critical for scaling operations, acquiring customers and enhancing product offerings. This paper highlights the funding needs evolve during initial phases, market expansion and scaling phases where often requiring Series A, B and subsequent rounds from specialised institutional investors. The technology startups once mature may go for strategic exits through mergers, acquisitions, or initial public offerings to achieve long term growth or liquidity. This paper offers insights into the specific startup lifecycle stages and funding sources available to technology startups at each stage.

Keywords: Technology Startups, Startup Stages, Financing Stages, Seed Funding, Venture Capital, IPO, Scaling, Growth Strategies.

INTRODUCTION

Technology startups are key drivers of economic transformation, leveraging innovation to disrupt traditional industries. However, the journey from ideation to scaling is filled with challenges, particularly regarding access to adequate financing. This paper aims to provide a comprehensive framework to understand the stages of a startup's lifecycle and the corresponding financing strategies.

Although, startups often resemble small businesses in size, they differ markedly in their focus on innovation. Unlike traditional firms that usually follow established practices (Fallgatter, 2004), startups are driven by novel ideas and disruptive approaches. Because they lack historical data to guide decisions (Diehm, 2017), startups face greater uncertainty regarding the success of their offerings until they are launched in the market. This

inherent unpredictability cultivates a higher risk tolerance compared to conventional businesses (Jacobsen, 2011).

The two types of business foundations: imitative and innovative (Diehm, 2017) distinguishes significantly. Imitative ventures dominate sectors like retail, skilled trades, and professional services, where proven business models and clear success factors already exist. In contrast, startups fall under the category of innovative foundations. These enterprises typically launch without validated business models and with minimal resources, operating in uncertain and often undefined market conditions due to the novelty of their offerings.

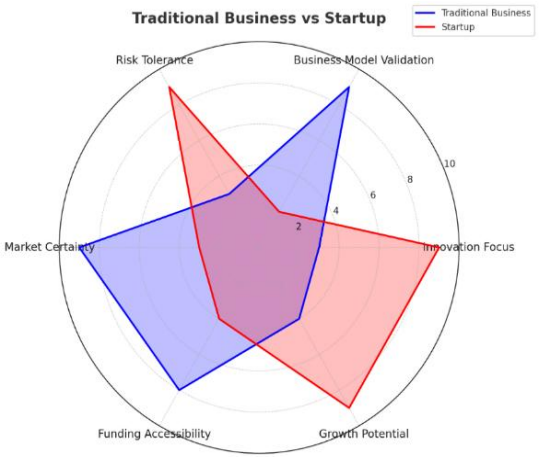

Figure 1: Distinguishes Between Two Types of Business Foundations: Imitative and Innovative
Source: Diehm, 2017

Another fundamental difference between startups and traditional businesses is their access to financing. Established firms, supported by stable revenue streams and proven business models, generally find it easier to obtain funding from credit institutions. Startups, on the other hand, often operate without validated income models, making conventional financing less accessible (Cotei & Farhat, 2017). As a result, they frequently turn to alternative funding methods, especially in the early stages. One such method is financial bootstrapping, where founders leverage personal savings, minimize external investment, and maximize resource efficiency to sustain and grow their venture

Traditional companies typically have constrained potential for growth and job creation (Fallgatter, 2004). In contrast, startups driven by innovation and scalable business models tend to exhibit much higher growth and employment potential. Startups often operate within nascent or evolving market environments, making it difficult to reliably assess their long-term viability and success (Diehm, 2017).

There has been a remarkable increase in scholarly and policy maker attention toward startups and the surrounding ecosystems of the startups in the recent years. This increased interest is driven by the recognition of startups multifaceted contributions to economic development primarily in job creation and technological innovation to enhanced investment flows, export growth, and overall national income generation (Bala Subrahmanya, 2017).

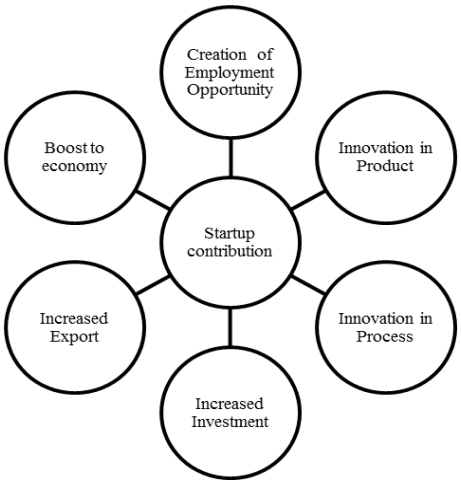

Figure 2: Remarkable Startups Potential to Contribute Significantly to Various Aspects
Source: Bala Subramanya, 2021

Startups serve as a foundational pillar in innovation led economies, driving progress through the introduction of novel and innovative products, productivity enhancement and employment generation (Reisdorfer-Leite *et al.*, 2020); (Decker *et al.*, 2014). Their formation is typically supported by a diverse network of ecosystem stakeholders - including universities, incubators, accelerators, corporates, and government bodies; who collectively nurture startups growth. At their essence, startups are designed to identify pressing problems and transform them into market opportunities. This journey involves iterative processes such as product development, customer feedback analysis, and strategic decision-making on whether to pivot or persevere (Ries, 2014). Operating under resource constraints and without the burden of complex corporate hierarchies, startups prioritize agility and rapid execution. Their lean structures enable faster internal response rates compared to established enterprises, allowing them to adapt swiftly to evolving market conditions (Reisdorfer-Leite *et al.*, 2020).

Figure 3: Startups Primary Role

Source: Ries, 2014

The foundation for business model testing by startups is innovative ideas (Salamzadeh & Kawamorita Kesim, 2017). The group of innovative entrepreneurial individuals called as "startups" collaborate efforts to create, develop and deliver a groundbreaking product, services despite significant highly challenging and uncertain situations (Ries, 2014). These innovative enterprising entities are referred as startups based on their operational maturity lifecycle and the perceived phases/ stages of their product development within the framework of Product Lifecycle Management (PLM) (Reisdorfer - Leite *et al*., 2020).

Rationale of the Study

The research study explained the stages of technology based startups as outlined by various researcher, startup policy and guidelines, as well as the corresponding support and schemes available at each stage. The study centres its focus on the seven areas as listed under Startup india policy, which include institutional support, the promotion of innovative entrepreneurship, access to markets, assistance through incubation, financial support, mentorship initiatives, and the development of enabler capacities. Additionally, the study assess the funding amounts accessible to startups in various sectors and industries at each stage of their development. The study encompasses a stage-wise analysis of funding received, along with the time required to progress to the next stage. This research will play an important role in assessing the funding needs and available resources required to progress to the next stage, while also evaluating financial performance across each phase

LITERATURE REVIEW AND RESEARCH GAP

Startup Lifecycle Stages

The sequence of milestones, activities and stages varies across different startups (Salamzadeh & Kawamorita Kesim, 2015). Prior frameworks proposed for Small and Medium Enterprises (SMEs) appear to be suitable to the startup context as well (Neil Churchill & Virginia L. Lewis, 1983)

Startups progress through distinct developmental phases, (Fallgatter, 2004), can be categorized according to their growth trajectory. Each phase reflects varying degrees of expansion, resource needs, and strategic orientation as the startup matures.

The startup market development lifecycle is comprising five distinct phases: i. pre-founding, ii. founding, iii. growth, iv. maturity/saturation, v. market exit or reinvention through innovation (Diehm, 2017).

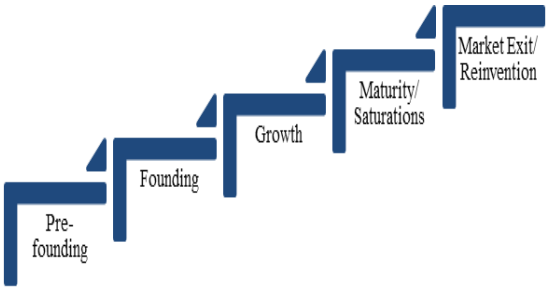

Figure 4: Five Distinct Phases of Startup Lifecycle

Source: Diehm, 2017

This framework captures the typical trajectory of sales over time. During the pre-founding and founding stages, sales are usually minimal or absent. A sharp increase in sales characterizes the growth phase, culminating in a peak during the maturity or saturation stage. Subsequently, a decline often follows, which may result in market exit or a strategic pivot through innovative products or services to initiate a new growth cycle.

The first four phases of startup development, referring to them respectively as the i. Discovery, ii. Validation, iii. Refinement and iv. Growth studied in detail (Kumbhat & Sushil, 2018).

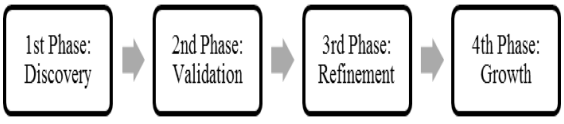

Figure 5: The First Four Phases of Startup Development

Source: Kumbhat & Sushil, 2018

As the startup continues to grow, it may pursue additional funding rounds, such as Series B, Series C, and beyond. These later stage funding rounds

generally involve larger investments from the existing and new venture capital investment firms and strategic investment partners. The Funds raised during the later stages of a startup are primarily allocated to accelerating growth, entering new markets, strengthening marketing and sales strategies, and advancing product development.

The startups surviving upto this stage may in due course take the route Initial Public Offering (IPO) to go public either at SME portal or main bourse as per applicability. This allows startups to raise considerable capital by selling shares to the public at market price. Alternatively, it may be acquired by a larger company seeking to leverage their technology, pool of talent, or acquired market presence.

The number and nomenclature of funding rounds may vary across startups, when ventures opting for alternative financing pathways such as strategic alliances or crowdfunding. The structure and progression of funding stages are mostly influenced by factors including industry type, geographic context, and the specific conditions surrounding each startup enterprise. Increasing international scholars research underscores the significance of diverse financing mechanisms of formal and informal, in funding and supporting entrepreneurial activity. Empirical evidence suggests that financial liberalization positively impacts overall investment in startups, irrespective of whether the funding is sourced externally or internally (Mickiewicz & Korosteleva, 2011).

Startups typically progress through eight stages from ideation to generating revenue. However, many startups fail to advance beyond Stage II due to various challenges, such as the lack of market readiness for their product or service, inability to scale their technology, or adverse economic conditions, such as a recession (Hargadon, 2010).

Table 1: Startup Lifecycle Stages Based on Operation

Startup Stages	Startup Stage I	Startup Stage II	Startup Stage III	Startup Stage IV	Startup Stage V	Startup Stage VI	Startup Stage VII	Startup Stage VIII
Startup Development	Primary Basic Research	Structured Applied Research	POC- Proof of Concept and Specified Market Business Plan	Functional/ Working Prototype - Founding Team	Engineering Based Prototype - Contracts with Suppliers	Production of Prototype and Contracts with Distributors	Launching the Product	Growth of Revenue
Startup Level	Firm and Team Formation		High-Risk Pre-Revenue Level "Valley of Death"					Growth

Source: Hargadon, 2010

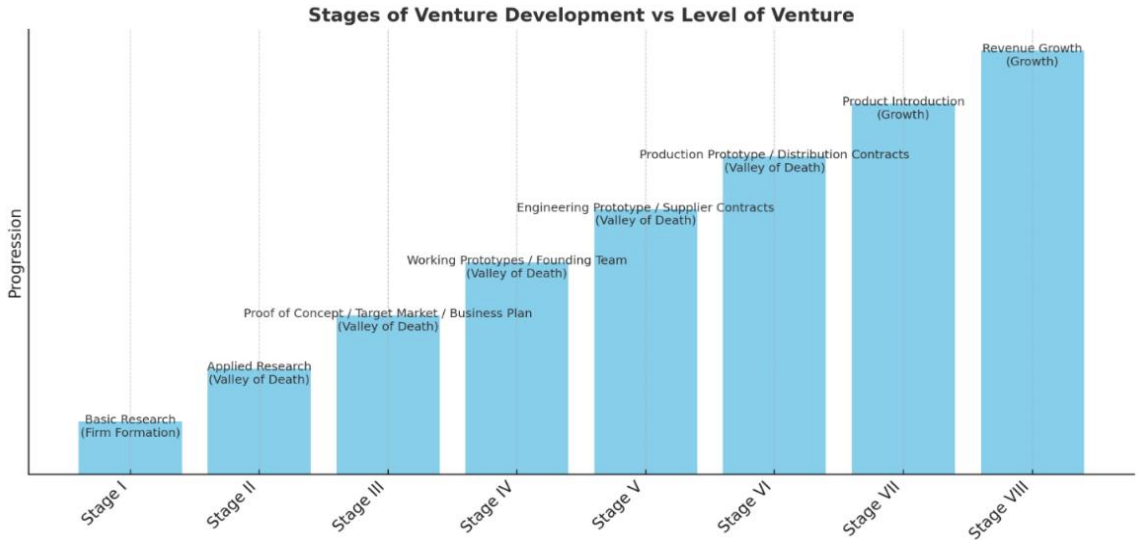

Figure 6: Stages of Venture Development vs Level of Venture

Source: Hargadon, 2010

Financing Sources

Numerous funding sources cater to entrepreneurs, with some tailored to early-stage startups and others better suited for rapidly growing, established companies. Nevertheless, all these options serve as valuable sources of inspiration for startups planning their next funding round.

Table 2: Startup Stages Based on Funding/ Investment

Startup Stages	Startup Stage I	Startup Stage II	Startup Stage III	Startup Stage IV	Startup Stage V	Startup Stage VI	Startup Stage VII	Startup Stage VIII
Available Financing Options	Research Awards, Grants and Funding	Development Idea Grants, and Funding Schemes	Family, Friends and Founders	Early Stage-Angel Investors	Seed Stage-Venture Capitals	Late Seed Stage-Venture Capitals	Scaling Funding PE, Project-Finance	Growth Funding-IPO, M&A
Startup-Level	"Firm and Team Formation"		High-Risk Pre-Revenue Level "Valley of Death"					Growth

Source: Hargadon, 2010

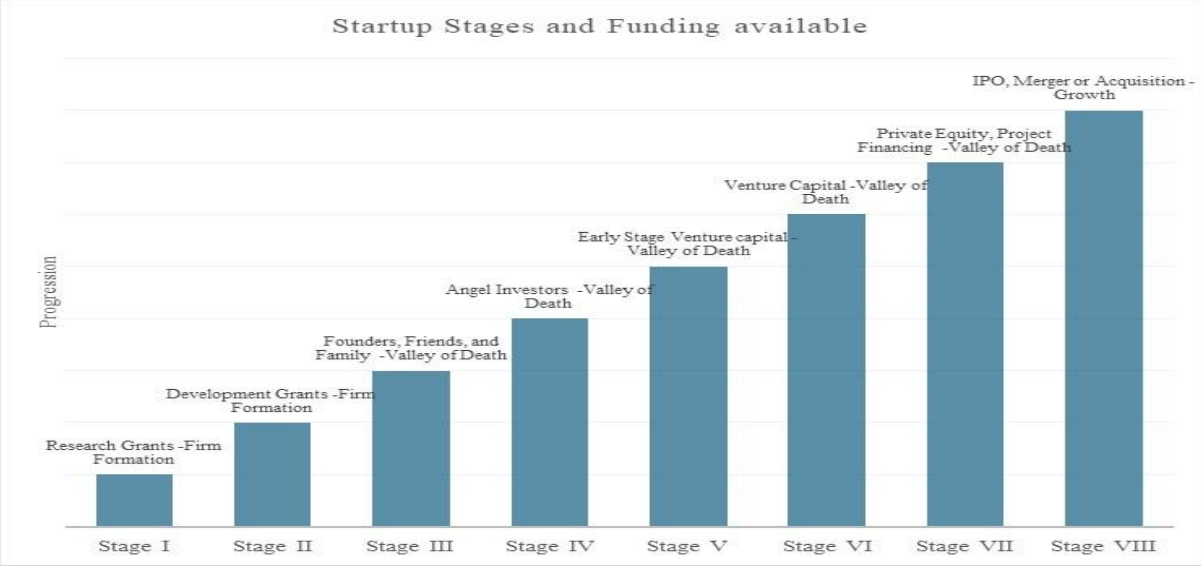

Figure 7: Startup-Stages and Funding Available

Source: Hargadon, 2010

Startup companies may allocate internal resources or founder capital at any stage, with early-stage investment being the most frequent and critical for initial momentum. Once a startup company is established, often there are no revenues or external financing available, yet there are invariably startup costs that must be addressed. According to a research there are thirteen typical sources of funding for entrepreneurs (EY Netherlands, 2020). These sources of funding are; The founders, The family, friends and founders, The angel investors, Crowd funding possibilities, subsidies to new enterprises and startups, the venture capital and private equity, loan and debt financing from bank, factoring, leasing, suppliers of the enterprises, Initial coin offering, initial public offering (IPO), revenue based financing" for enterprise (EY Netherlands, 2020).

Ensuring a sufficient source of financing is up most crucial tasks in initiating any entrepreneurial new venture. The startup founder having prior experience in mobilising financial resources for the startups may secure more funds through formal and informal sources as compared to those entrepreneurs having no experience (Kotha & George, 2012).

The choice of financing startup by the startup founders influenced by multiple factors to use formal or informal sources of financing (Atherton, 2012). Securing required financial resources for the launch or scaling of an innovative startup remains crucial and most significant challenges, many entrepreneurs faced (Berger *et al*., 2009). In many research it is observed that startup founders initially start with internal resources and sources of finance such as own funds, borrowed from family and friends, research awards or grants and afterwards they use scaling and growth stage external financing sources (Paul *et al*., 2007).

Research Gap

While the theoretical foundations of startups are widely discussed across academic literature, Startup lifecycle is defined based on financing cycle model as the dominant framework for the developed countries. However, in the context of developing economies, there exists a notable research gap in systematically examining how startups progress through distinct stages and how financing opportunities align with these stages. Prior studies generally classify startup financing into phases such as pre-seed or idea validation, seed funding, and subsequent Series A investments. Series A financing, in particular, typically emerges once a startup demonstrates tangible market traction, validates its business concept, and establishes a viable business model, enabling venture capital firms to provide significant resources for scaling operations, expanding teams, enhancing marketing, and deepening market penetration. Despite this well-documented trajectory in advanced ecosystems, there is limited empirical investigation into how these stage specific financing patterns in emerging markets. This study seeks to address this gap by exploring the conceptualization of startup stages and the corresponding availability of funding within developing economies.

STARTUP ECOSYSTEM IN INDIA

Funding Opportunities for Startups in India

India offers a diverse range of startup research and funding schemes across various scientific and technological domains, administered by multiple governmental bodies. The BIG - "Biotechnology Ignition Grant" scheme by the DBT - "Department of Biotechnology" supports startups with upto Rs.50 lakhs for innovative research projects with potential of commercialisation over 18 months in life sciences, biotechnology, and medical sciences. The Biotechnology Industry Partnership Programme (BIPP) focuses on product evaluation, validation, field trials, and novel IP generation in similar domains. E-YUVA provides BIRAC Innovation Fellowships and grants for post-doctoral and post-master's fellows in biotechnology and medical sciences. The "Industry Innovation Programme on Medical Electronics (IIPME)" offers tiered funding from seed to scale-up phases. In engineering sciences, the Karnataka Semiconductor Venture Capital Fund (KARSEMVEN Fund) provides funding between INR 2 crores and INR 9.2 crores, while the KITVEN Fund-3 (Biotech) supports biotech startups with INR 1-3.5 crores. The "Multiplier Grants Scheme (MGS)" of the "Department of Electronics and Information Technology" supports computer science and IT ventures with INR 2 crores.

Under the Department of Science & Technology (DST), several NIDHI initiatives exist: NewGen IEDC (INR 35 lakhs), Entrepreneur-In-Residence (NIDHI-EIR) (monthly support for 12 months), Seed Support System (NIDHI-SSS) (average INR 25 lakhs), NIDHI-Accelerator (INR 1.5 crores), Centers of Excellence (NIDHI-CoE) (INR 50 crores), and PRAYAS (INR 10 lakhs) - all targeting capacity building and innovation across all science disciplines. The Product Commercialization Program Fund (PCP Fund) offers case-specific support for agricultural, computer, and life sciences projects. PACE has no funding ceiling and supports biotechnology and medical sciences startups. PRISM by CSIR funds proof-of-concept and prototype development with tiered support of INR 2-20 lakhs. The Scheme for Funding Industry Relevant R&D (DST) provides up to INR 50 lakhs for science-based projects.

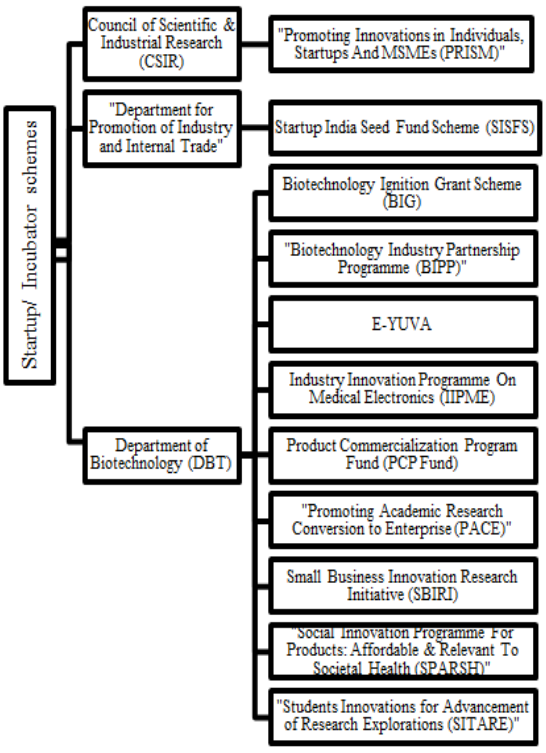

Figure 8a: Startup/ Incubators Schemes

Source: India Science, Technology and Innovation Portal

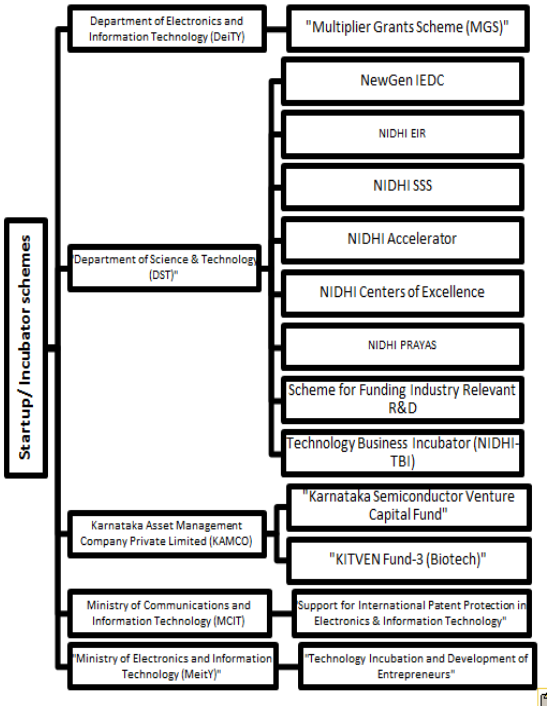

Figure 8b: Startup/ Incubators Schemes

Source: India Science, Technology and Innovation Portal

The Small Business Innovation Research Initiative (SBIRI) funds biotech and medical innovations with up to INR 25 lakhs, while SPARSH supports affordable health-related products at the PoC stage with up to INR 50 lakhs. The Startup India Seed Fund Scheme (SISFS) provides up to INR 20 lakhs as grants for PoC validation and INR 50 lakhs as investments for market entry. SITARE grants INR 15 lakhs for student innovations in life sciences and biotechnology. The SIPEIT program covers up to INR 15 lakhs or 50% of costs for international patent filings in electronics and IT. NIDHI-TBI provides incubation funding of up to INR 15 crores, while TIDE 2.0 supports entrepreneurs with INR 7 lakhs. Finally, the United States-India Science & Technology Endowment Fund (USISTEF) offers COVID-19 Ignition Grants in two stages, with funding up to INR 1 crore.

These wide-ranging system of schemes reflects India's multi sectoral approach to encourage research-oriented entrepreneurship covering biotechnology, engineering, life sciences, agriculture, information technology and interdisciplinary areas.

Emerging Trends in Startup Financing

Funding availability to startup changing fast. This is influenced by new technological innovations, global economic shifts, and changing investor preferences. Sector specific funding, crowdfunding platforms, venture capital's integration with artificial intelligence (AI) for investment decision making and increasing emphasis on sustainable and socially responsible investments are the key trends (Bonini *et al*., 2019).

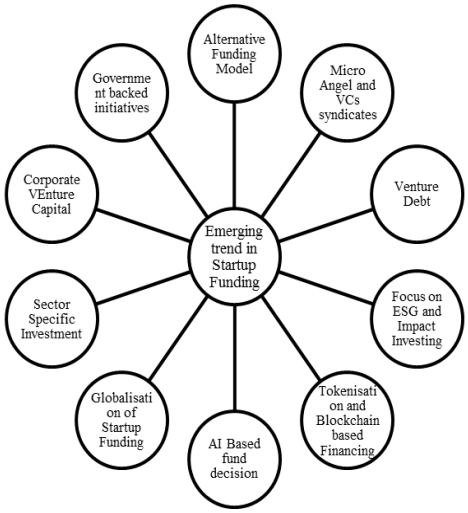

Figure 9: Emerging Trend in Startup Funding

Source: Bonini *et al*., 2019

The startup ecosystems are now globalised and new financing systems emerging such as decentralized finance (DeFi). The new systems are further reshaping traditional funding mechanisms. The new revised government policies and financial technology based solutions are augmenting access to capital for small and medium enterprises. Emerging technology and financing trends in startup financing are redesigning the startups access to the capital as well as how investors approach early stage ventures. Some of the most notable emerging startup financing trends are as follows:

Alternative Funding Models

Revenue Based Financing enables startups to repay investors by allocating a predetermined percentage of their revenue until both the principal and an agreed upon return are fully repaid. This method avoids equity dilution in the startups. Crowdfunding is facilitated through platforms of Kickstarter, Indiegogo and equity based platforms - SeedInvest. These provides an opportunity for startups to mobilize capital from a wider base of small investors. The accessibility of the same in India remains limited. Also, fund raising instruments Convertible Notes and SAFE (Simple Agreement for Future Equity) agreements providing fundraising options by deferring equity

valuation to subsequent financing rounds. This grant startups enhanced flexibility during the early stages of capital raising.

Micro VCs and Angel Syndicates

Organised angel investor syndicates and smaller venture capital funds primarily target niche markets or early stage startup development. They provide critical financial support, mentorship and networking to the potential startup ideas. TiE, Angel Network, AngelList and many more fund raising platform play a key role in facilitating syndication. This allows investors to pool their resources and collectively support high potential startups. Allowing enhanced access to diversified fund raising opportunities.

Venture Debt

It is a type of loan extended to fast growing startups and provides more flexibility than other types of debt/ loan. This type of fund raising does not dissolve equity. However, it comes with higher interest rates and shorter terms than normal traditional forms of debt. Startups generally raise venture debt in conjunction with other fund raising instruments normally equity financing.

Focus on ESG and Impact Investing

Environmental, Social and Governance (ESG) considerations for investment are on increase by investors. Investors channelling investment towards startups engaged in climate technology, renewable energy and social impact sectors. Many specialised funds actively supporting startups and ventures those prioritizing sustainability and responsible innovation.

Tokenization and Blockchain-Based Financing

The decentralized platforms that bypass conventional financial intermediaries, Initial Coin Offerings, Security Token Offerings are based on blockchain based fund raising techniques. Startups are increasingly leveraging these techniques to fund their ventures. The fintech startups, gaming and web3 rely mostly on decentralised finance. The digital assets constitute core drivers of innovation, capital accessibility and particular ecosystem development.

AI Based Fund Decision

With the emergence of the large scale structured and unstructured data enabling investors to use artificial intelligence and big data analytics to make decisions about venture financing. The traditional models rely on financial statement and founder network (Kaplan & Strömberg, 2004). Many latest AI driven platform like PitchBook and Crunchbase apply machine learning and various models to predict funding events with reported accuracy of up to 95% (WSJ, 2024). Hybrid LLM and multi featured models outperform conventional methods and achieving F-Score above 0.73 (Zhang & Lau, 2023). However, these models have limited applicability in emerging markets due to lack of validation and ethical concerns around bias and transparency (Pasquale, 2016).

Globalization of Startup Funding

International investors and venture financing firms finding emerging market more lucrative with high growth potential for the investment (Devigne *et al*., 2013). The cross-border funding is possible with the advancement of the highly efficient digital platforms, data analytics and the globalisation of investor networks. These advancements facilitate efficient collaboration between global investors and globally dispersed startups (Qiu *et al*., 2021); (Wright *et al*., 2005). The empirical evidence indicates that startups supported by a combination of domestic and cross border investors show stronger long-term growth in sales, assets and employment generation as compared to those backed only by domestic or foreign firms (Devigne *et al*., 2013)). The firms baked by VC's consistently demonstrate improved exit outcomes and access to international markets, affirming the strategic value foreign investors contribute beyond financial capital (Bertoni & Groh, 2022).

Sector-Specific Investment

In the recent years venture capital activity reflects a strategic pivot from generalist investing to high growth sectors in emerging technology such as generative AI, biotechnology, health tech and climate tech. This shift is driven by rapid innovation and sustained market demand (Yacoub, 2023).

Growth of CVC (Corporate Venture Capital)

CVC also become a major financing source for early stage investment, complementing traditional VC. This provides financial resources as well as strategic benefits like market access, technical expertise and distribution networks by CVC. This accelerates startup growth and enhances

commercialisation prospects (Dushnitsky & Lenox, 2005); (Maula *et al*., 2009). While CVC offers legitimacy and scaling opportunities (Wadhwa & Kotha, 2006), potential conflicts may arise between startups' need for autonomy and corporations' strategic goals (Weber & Weber, 2007). Nonetheless, CVC remains an influential mixed investment strategy, mixing venture finance with strategic corporate support.

Government Backed Initiatives

Governments globally are increasingly supporting startups through various targeted funding schemes, sector specific schemes and subsidies and innovation grants. These are particularly in green technological or allied fields namely AI, healthcare and renewable energy. In India, various programs and schemes - "National Initiative for Developing and Harnessing Innovations (NIDHI)", MeitY-TIDE 2.0 - Technology Incubation and Development of Entrepreneurs (Second edition), MeitY startup accelerators for Product Innovation, Development and Growth funding under SAMRIDH and SPARSH ("Social Innovation Programme for Products: Affordable & Relevant to Societal Health") governed by BIRAC have emerged as critical enablers (Department of Science & Technology, 2021; BIRAC, 2022). These initiatives offer startups financial grant, financial assistance, structured mentorship, specialised infrastructure and linkages with industry and academia, thereby lowering entry barriers for innovative entrepreneurs (Audretsch & Link, 2018). This allows fostering inclusive and sustainable entrepreneurship (Henriksen, 2023; PwC, 2023).

Startups Making Impact

The startup ecosystem in India has produced more than 110 unicorns and continuously ranked among the top globally. On detail study and further analysing their stages and funding raised as each stage help to understand the importance of stages and funding availability for the success for the particular startups. Success stories from prominent technology startups in India and abroad studied and analysed, highlighting diverse funding strategies, challenges faced and lessons learned. Three startups from India studied are Flipkart, Ola and Byjus and three international startups are Zoom Video, Canva.

Table 3: Startup Stages, Funding and Outcome Overview

Startup	Stage & Funding Strategy	Fund Raised	Outcome
Flipkart	Bootstrapped with founders' savings; later attracted angel investors and VC funding from Accel Partners and Tiger Global.	Over $7 billion	Acquired by Walmart in 2018 for $16 billion.
Ola	Started with angel funding; VC backing from Tiger Global, Matrix Partners, and major funding from SoftBank.	Over $4 billion	Became a dominant ride-hailing service in India, valued at $6.5 billion.
Byju's	Began with personal investment and Aarin Capital; later raised funds from Tencent, Sequoia, and Chan Zuckerberg Initiative.	Over $5.5 billion	Valued at $22 billion in 2022; major player in EdTech.
Zoom	Bootstrapped by Eric Yuan; raised $6M in Series A from Qualcomm Ventures; scaled with further VC rounds.	$145 million	IPO in 2019 with $16 billion valuation; surged post-2020.
Canva	Seed funding from angel investors and Australian grants; Series A led by Felicis Ventures and Blackbird.	Over $570 million	Valued at $26 billion by 2021; global design platform leader.
Airbnb	Bootstrapped via cereal box sales; joined Y Combinator; raised VC from Andreessen Horowitz and Sequoia Capital.	Over $6 billion	IPO in 2020 with valuation over $100 billion.

Source: Gem, 2023

RESULTS AND DISCUSSION

Startups have varying needs at each stage of development, requiring financing strategies aligned with their growth trajectory. The startups required tailored financing strategies for startup development stages. Some of the strategies and how to effectively leverage government and institutional support at each stage:

Ideation Stage - The financial needs are low for concept validation and initial research. It is suggested to bootstrap, seek research grants, crowdfund etc. Government and many institution support startups may seek in many forms by participate in innovation challenges and hackathons offering seed funding. Almost every institution has incubation centre startups may use university incubators for access to research grants and mentorship.

Pre-Seed Stage - The financial needs at this stage are slightly higher to develop Minimum Viable Product (MVP) and conduct market testing. It is suggested to join the Incubator/ Accelerator programs offering funding, mentorship and resources for the MVP development. Startups can apply for various Government backed startup support SSIF, BIRAC, MIETY etc. Many angel investors also provide early-stage small capital in exchange for equity.

Seed Stage - At this stage startup required funds to refine products, build a team, and execute

marketing campaigns. The startups can engage seed-focused VCs for early traction funding, repay based on revenue instead of equity dilution or secure informal loans from trusted networks. Government also supports in various startup subsidies like CGTMSE, Tax concessions, Interest Subsidy, export funding etc.

Growth Stage (Series A) - The financial need for scaling operations, hiring, and technology upgrades could be secured through equity investments from institutional VCs, corporate partnership with established companies, convertible notes and SAFE for future financing round. At this stage government also provide tax credits for R&D and resources.

Scaling Stage (Series B and Beyond) - The fund requirement for expansion into new markets, product diversification, and operational scaling at this stage could be met by engaging with growth-focused VC firms, private equity and venture debt. Government also provide support to the successful domestic startups through trade financing for startups exporting goods and services and facilitate to participate in international trade delegations and innovation showcases.

Maturity and Exit Stage - The startups have proved to be a successful business by this stage. The capital required for sustained growth, acquisitions, or preparing for public offerings. This requirement could be met by raising through IPO and securing strategic investment from industry. The funding to be used for acquiring complementary business as well. The government provide IPO readiness through compliance assistance for SME exchange or main exchange listing, also to partner with export promotion agencies for international growth.

Startups by aligning financing strategies with startup stages and leveraging institutional support, entrepreneurs can navigate challenges and accelerate their path to growth.

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