

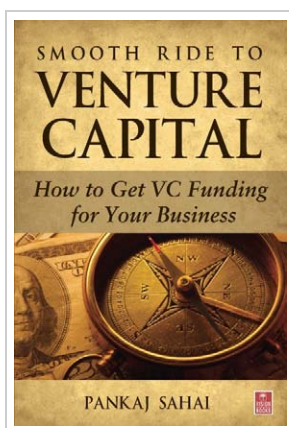


Venture Intelligence Blog - Tracking Investments and Business Opportunities in India

Arun Natarajan, Founder of [Venture Intelligence](#), on entrepreneurship, private equity and venture capital in India

MAY 27, 2010

➔ Quick Book Review: Finally, an How To on Raising VC in India



While Private Equity and Venture Capital gets more than adequate coverage in the general business and entrepreneur-targeted media, there has been a surprising lack of "how to" manuals for entrepreneurs who are serious about raising this type of capital. For instance, while entrepreneurs might have heard of terms like "term sheets", "due diligence", etc., it is not very easy to research online on what exactly these involve *in the Indian context*. (Most of the material available is typically US-centric).

Which is why New Delhi based consultant and entrepreneur Pankaj Sahai's "[Smooth Ride to Venture Capital - How to get VC Funding for Your Business](#)" stands out. Published by Vision Books; and priced at Rs. 495/-, the book is also well laid out on good quality paper.

Key sections in the book that entrepreneurs can benefit from significantly (typically stuff the popular press/online sources don't cover):

Chapter 15: Understanding Ownership, Dilution and Rounds of Financing

Which covers the implications (both mathematical and legal) of raising external equity capital.

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Chapter 22: Negotiating the Term Sheet

Covers the list of key terms and delves into the specifics. For example, the pros and cons of using a “full ratchet” vs. a “weighted average ratchet” formula for the anti-dilution provision. This chapter also explains lucidly the security/instrument used to structure PE/VC deals in India, typically the Optionally Convertible Cumulative Preference Shares (India).

Chapter 23: Managing the Due Diligence and Chapter 24: Closing the Deal

These chapters covers what exactly the Due Diligence process involves and the legal agreements that are entered into once the DD provides the green signal - only after which, the entrepreneur gets to the end goal: money. Whew!

Arun Natarajan is the Founder & CEO of Venture Intelligence, the leading provider of data and analysis on private equity, venture capital and M&A deals in India. [View free samples](#) of Venture Intelligence newsletters and reports. Email the author at arun@ventureintelligence.in

Labels: [Venture Capital Book](#)

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[of Apollo](#)

Archives

- [May 2003](#)
- [June 2003](#)
- [July 2003](#)
- [August 2003](#)
- [September 2003](#)
- [October 2003](#)
- [November 2003](#)
- [December 2003](#)
- [January 2004](#)
- [February 2004](#)
- [March 2004](#)
- [April 2004](#)
- [May 2004](#)
- [June 2004](#)
- [July 2004](#)
- [August 2004](#)
- [September 2004](#)
- [October 2004](#)