

# Sources of Finance



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# Objective

**WHEN I WAS  
YOUNG,  
I THOUGHT THAT  
MONEY WAS THE  
MOST IMPORTANT  
THING IN LIFE**

**NOW THAT I'M OLD,  
I KNOW THAT IT IS.**

**OSCAR WILDE**



# Background

## Multiple Sources:

- Organised v/s Unorganised
- Secured v/s Unsecured
- Domestic v/s International
- Banks v/s NBFCs
- Short Term v/s Long Term

# Issues Faced

Issues faced by the Pharma Sector:

- Schemes, Discounts, Debit Notes & Credit Notes.
- Claims from Manufacturers
- Mismatch in GST returns
- Stringent Margins
- Government Schemes (PMJAY)

# Economic Factors

Important factors affecting lending:

- Implementation of GST – Immediate need for working capital
- Demonitisation
- Increase in stamp duty rates / circle rates and prevailing market value
- Job creation – Social impact

# Types of Funding

Ascertaining the perfect debt mix:

- LAP – Loan Against Property
- Lease Rental Discounting
- Bill discounting – Domestic & Overseas
- Mudra / Stand-up India / CGTMSE
- Business Loan (unsecured)
- P2P Lending

# Project Appraisal Stages

Various Levels of Appraisal & Issues:

- Credit Appraisal
- Legal Appraisal
- Technical Appraisal
- Sanction Letter
- Disbursement
- Pre-Disbursement Conditions

# Addressing Concerns

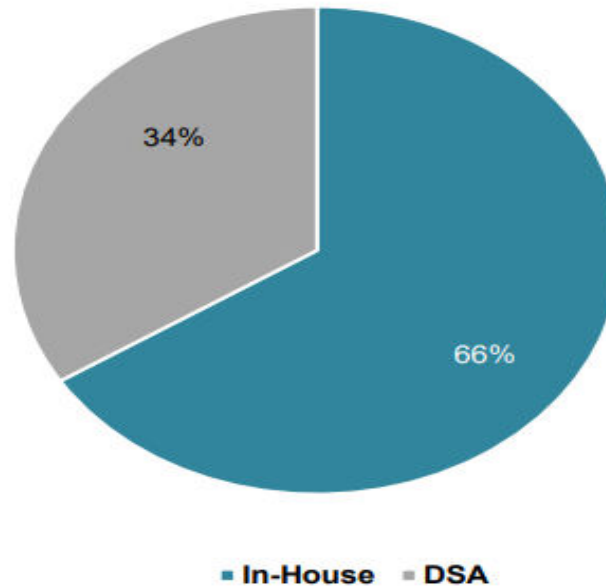
- Policy decisions – Negative Sectors
- Debt Structuring
- Rising Costs
- Credit History
- Frauds

“The most viable solution to all of these concerns is Appropriate Funding.”



# Role of Professionals

Scope for Finance Professionals in the Lending Market:



# Opportunity

- Knowledge is respected
- Lucrative field for professionals
- Tie-ups
- Referrals
- Approaching Clients
- Networking
- Growth

# Perception

What Borrowers think about Banks / FIs:



# Perception

What Banks / FIs think about Borrowers:



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