

Readiness Checklist

India 2026 — MergerDomo

Work through each item before approaching any investor or lender. Every task here is something an investor will check during due diligence. Complete preparation before going to market — not after.

01 Financial Readiness

- Get 3 years of financials audited by a CA**
Audited P&L, balance sheet, and cash flow — not management accounts or Tally printouts.
- Prepare monthly management accounts for the current year**
Revenue, EBITDA, and working capital month-by-month for the year to date.
- Reconcile all bank accounts against your books**
Every entry in your bank statement should match your books. Unexplained entries raise red flags.
- Remove personal expenses from business accounts**
Family salaries, personal vehicles, personal travel — all must be separated and documented.
- Document all legitimate add-backs clearly**
Any normalisation of EBITDA must be justified individually. One-off items, founder salary adjustments etc.
- Prepare a clear debt schedule**
All loans, overdrafts, guarantees, and contingent liabilities — lender, amount, rate, tenure, and security.
- Calculate your working capital cycle**
Debtor days, creditor days, and inventory days. Investors will ask for this immediately.
- Build a 3-year financial projection**
Revenue, costs, EBITDA, and cash flow — built bottom-up from granular assumptions, not top-down percentages.

TIP Every rupee of EBITDA improvement in the 12 months before fundraising is worth multiple rupees in your valuation.

02 Legal & Compliance Readiness

- Ensure GST returns are filed and current — no outstanding notices**
Request a GST compliance summary for the last 24-36 months.
- File all ITRs on time — minimum 3 years**
Late filings or notices signal disorganisation to investors and lenders.
- Complete all ROC filings and annual returns**
Check MCA portal for any pending filings or default notices.
- Confirm all business licenses are in the company's name — not yours personally**
Trademarks, domain names, sector-specific licenses, import-export codes.

Formalise all key customer contracts in writing
With clear terms, renewal clauses, and assignment provisions that survive a change of ownership.

Formalise all key supplier agreements
Top 10 suppliers should have written agreements with defined terms.

Review all lease agreements
Remaining tenure, assignment clauses, and landlord consent requirements.

Document your shareholding structure clearly
Cap table showing all shareholders, percentage ownership, and any existing shareholder agreements.

Check for and resolve any pending litigation
Tax disputes, labour disputes, commercial disputes — document status of each.

Ensure IP is registered in the company's name
Trademarks, patents, copyrights, domain names — if in your personal name, transfer before fundraising.

TIP Investors find every compliance gap during due diligence. Every gap they find becomes a reason to reprice.

03 Business & Management Readiness

Build a second tier of management that can operate independently
If the business stops when you step back, investors will price this risk in heavily.

Document all key business processes
SOPs for operations, sales, finance, and HR — the business should be replicable without your presence.

Prepare an organisational chart with roles, responsibilities, and salaries
Investors will assess management depth immediately.

Identify your top 10 customers and their revenue contribution
Concentration above 20% per customer is a risk that needs addressing or explaining.

Ensure key customer relationships extend beyond the founder
Introduce key customers to other team members before going to market.

Document your competitive position clearly
Who are your main competitors, what is your differentiation, and why do customers choose you.

Prepare a clear use-of-funds breakdown
Specifically where the capital goes, in what timeframe, and what outcome it produces.

TIP A business where the founder has already stepped back from daily operations commands a meaningfully higher valuation.

04 Document Preparation

- Prepare your pitch deck (12-15 slides)**
Problem, solution, market, business model, traction, financials, team, use of funds, and ask.
- Write your Fundraising Deal Summary (Information Memorandum)**
Business history, financials, market position, and fundraising structure in detail.
- Build your financial model**
Three-year projection built from granular bottom-up assumptions. Every number must be defensible.
- Prepare your use-of-funds breakdown**
Specific line items, timeline, and expected outcome. Not just "working capital and growth".
- Compile your data room**
Audited financials, management accounts, legal documents, contracts, licenses — organised and ready to share under NDA.
- Use the MergerDomo Fundraising Deal Summary Generator**
Free tool that walks you through creating a structured investor teaser in minutes.

TIP Having all documents ready before approaching investors saves weeks of back-and-forth and signals professionalism.

05 Investor Readiness — Know Your Ask

- Get a formal valuation done by a qualified CA or registered valuer**
Do not anchor your valuation to what you feel the business is worth. Use a methodology an investor can verify.
- Check your CIBIL score (personal and company CMR)**
For debt: 750+ for best bank rates, 700+ for most NBFCs. Check 6 months before approaching any lender.
- Define your fundraising target clearly**
How much are you raising, for what specific purpose, and in what timeframe.
- Define your equity offer clearly**
What percentage stake are you offering, at what valuation, and what does the investor receive in return.
- Research the right investors for your stage and sector**
Match your ticket size, sector, and stage to the investors most likely to say yes.
- Complete the MergerDomo Fundraising Readiness Scorecard**
Free diagnostic — personalised score and specific recommendations before approaching the market.
- Prepare answers to the questions every investor will ask**
Revenue model, margins, customer concentration, key-man dependency, use of funds, exit path.

TIP Approaching the wrong investor wastes months and closes doors. Know exactly who you are looking for before you start.