***Broadening Access to Finance: The Potential and Pitfalls of Crowdfunding in India***

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**Abstract**

Soliciting funds from large groups of people is not new in India; as non-profit and political campaigns have been doing it for more than a century. Now, it is the turn of for-profit and entrepreneurial ventures in India. Crowd Funding is a method by which start-ups can sell their stocks and other securities through the internet, by using crowd funding sites or even social networking sites. The advent of social media and the growth of Internet have made it accessible and scalable to masses. The success of international crowd funding companies such as Kickstarter, Indiegogo and Angellist has prompted the Indian counterparts to follow the same business module and help support many a startups. Among the notable ones started in India are Wishberry, Pik-a-venture, catapult, etc. Crowdfunding can be considered not only for business ventures but also for seeking funding by anyone for social cause, higher studies, music albums or videos, gigs and festivals, publishing books, mega events or even college projects. When the U.S. House of Representatives have passed ‘The Entrepreneur Access to Capital Act’, otherwise known as the [H.R.2930](http://dailycrowdsource.com/external/index.php?url=http%3A%2F%2Fthomas.loc.gov%2Fcgi-bin%2Fquery%2Fz%3Fc112%3AH.R.2930%3A) in 2012 for U.S. startup companies and entrepreneurs to raise capital in early stage of their businesses, India has no specific regulations till now. The aim of this paper is to present the case of crowdfunding for broadening the access to finance in India where arrangement of financing is still a challenging task for both for-profit and not-for-profit ventures. Also, the paper would seek to critically analyze various issues and concerns impacting the efficacy of crowdfunding in Indian context.

**Keywords**: crowdfunding, India, access to finance, entrepreneurship, start-ups, social media, etc.

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