



2. A Study of Crowdfunding Platform

Pathak Sushmita Dinanath (TYBAF)

Abstract:

Crowdfunding is a united effort by people who connect and fund collectively for a personal, societal cause or a business idea. Though it sounds very similar to the traditional concept of charity or social support, funding here is done with an objective of earning some return either monetary or intangible. The present day crowdfunding is connected with internet and the use of social media for fundraising. In India crowdfunding is still in its embryonic stage even though the potential is incredibly high. The papers studies the selected Indian online crowdfunding platforms, their functioning and focus area, CFPs not only support business activities but also social causes. E.g. Milaap (www.milaap.org) and ImpactGuru (www.impactguru.com) support personal and social causes through the platform. The CFPs were selected to represent a diverse set of crowdfunding areas and the availability of data.

Keywords:

Solution, services, needs, support, websites, funding, startups, professionals, medical, non-medical.

2.1 Introduction:

Crowdfunding refers to the practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the Internet. The objective for raising such funds could be projects such as films, music, business ventures, or public interest causes. Small financial contributions from a number of persons cumulatively may fulfill the fund requirements of the Investee who otherwise lacked access to such funds.

The Consultation Paper on Crowdfunding in India issued by RBI defines Crowdfunding as “Solicitation of funds from multiple investors through a web-based platform or social networking site for a specific project, business venture or social cause Crowdfunding is predicted to be one of the biggest financial changes in history. Commentators are of the opinion that it would revolutionize the way money is exchanged in India. If regulated appropriately, crowdfunding can provide an excellent funding alternative for early-stage startups and ventures.

Contributions made to certain **relief** funds and charitable institutions can be claimed as a **deduction under Section 80G** of the **Income Tax Act**. All **donations**, however, are not eligible **for deductions under section 80G**. Only **donations** made to prescribed funds qualify as a **deduction**.

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2.2 How to Start Raising Fund on Crowdfunding Platform?

Steps:

A. Campaigner:

A person who runs campaigns to help people who are in need of money and he/she get in touch with authorised people of crowdfunding platform. Campaigner shares all the information of needy person on internet via different social media platforms like FB, Instagram, WhatsApp, etc.

B. Campaign Manager:

The person who makes the story for campaigner so he/she can help the needy people. In stories, they mention about their situations and needs of money.

Who Can Raise Fund?

- a. People who are suffering from any major disease and unable to pay hospital fees
- b. NGOs
- c. Students who wants to pursue their higher education but unable to pay fees
- d. Business startups\

Who will help to Needy People?

Donors, they are the people who help others by donating some amount via crowdfunding platforms.

Why Donors Donate?

Along with helping someone, they get some benefits as well. Contributions made to certain relief funds and charitable institutions can be claimed as a deduction under Section 80G of the Income Tax Act.

2.3 Matching Donations:

Matching donations is a practice used by charities to gamify an annual giving day and motivate their supporters to donate.

2.4 Crowdfunding Companies:

Now let us Discuss about two Crowdfunding Companies Namely: Milaap and ImpactGuru

2.4.1 Milaap:

This Company charges as fees 5% of the amount raised in each campaign. The founders say they would like Milaap, which is operationally profitable, to become synonymous with raising funds for critical healthcare.

2.4.2 ImpactGuru:

This Company charges average 8% of total funds raised as its fees with 5% directly being net revenue. It charges additional fixed fees for premium services such as digital marketing, video, content support. ImpactGuru offers various packages that one can opt for fundraising.

2.4.3 Now Let Us See One Good Example of Crowdfunding:

At two months old, Teera Kamat was diagnosed with spinal muscular atrophy Type 1. This rare genetic disease attacks the baby's nerves and muscles, and as it progresses, makes it extremely difficult for the child to carry out basic activities like sitting up, lifting the head, swallowing milk and even breathing. The treatment? A one-time gene replacement therapy called Zolgensma, which, in her current state, could be a potential "cure". It is available in the USA for around \$2.1 million (Rs 16 crore).

Doctors said Teera would not live to be two unless she got this treatment. In such a harrowing time, crowdfunding became a ray of hope for Teera's parents.

They shared the cause via a campaign on ImpactGuru.com, a crowdfunding platform in India, and soon donations started pouring in for her treatment. So far, the cause has raised about Rs 14 crore.

2.5 Objective of Study:

- To study the conceptual framework of crowdfunding platform.
- To know about such platforms for the people who cannot afford their treatment, studies, or other things.
- With the help of these platforms, we can help a lot of people in their tough time.

2.6 Research Methodology:

The study focuses on extensive study of primary and secondary data collected from various hospitals, crowdfunding platform reports, various websites and social media.

2.7 Suggestions:

- It is suggested for the people who stop their treatment in between because of their financial issues.
- It is suggested to students who stop their studies due to lack of money.
- People who wants to start their startups but do not have enough money, they can use these platforms.

2.8 Conclusion:

These platforms play an important role in life of patients who cannot afford their treatment, students who cannot afford their studies and people who cannot achieve their dream because of lack of money.

2.9 Websites:

1. www.google.com.
2. www.impactguru.com.
3. www.milap.com

2.10 Reference:

1. Apollo hospital, websites of crowdfunding platforms, social media, max hospital, etc.