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Section-2

Q-1 Explain the feature and various sources of Venture Capital. List out few venture capitals firms in the Indian market?

A Venture Capital is financing that investor provide to Startup Companies and Small businesses that are believed to have long term growth potential. Venture generally comes from the Vendors.

Feature

1 It is basically financing of new Companies which are finding it difficult to go to the Capital market.

2- The finance can also be loan based or inconvertible debenture so that carry a fixed yield.

③ those who provide venture capital aim at capital gain due to the success achieved by the concern.

④ The long term investment are made in companies which have high growth potential.

⑤ The venture Capital provide will also take part in the business of growing concern whereby the financier.

⑥ Not all the capital will experience high risk.

But Venture Capital financing contain risk. but the risk is compensated.

Sources of Venture Capital

- ① Typical institutional venture Capital firm.
- ② Corporate Venture Capital division
- ③ Small business investment companies
- ④ PVT equity funds
- ⑤ Hedge funds
- ⑥ Strategic investors
- ⑦ Risk Capital & technology finance Corporation.
- ⑧ Venture Capital Scheme of the various banks and financial Institutions.

Source of Venture Capital in India may be divided into three categories.

- (1) All India level Venture Capital funds.
- (2) State level Venture Capital funds.
- (3) Specific Venture Capital funds.

List of few venture capital firms in the Indian market are.

- (1) IFCI Venture Capital fund limited.
- (2) IDBI Venture Capital fund
- (3) ICIC Venture Capital management Company Ltd.
- (4) Gujarat Venture finance Ltd (GVFL)
- (5) Credit Capital Venture fund established by Credit Capital.