

An analytical study of venture capital in developing economy

Prof. UshaTilwani, Research Scholar, RTMNU, Nagpur
Dr. S.C. Gulhane, Nagpur

Abstract:

In developing economy like India, Venture capital is backbone of the economy. Effective venture-capital putting resources into mechanically imaginative firms require something other than hazard cash. Educated business visionaries search for venture capitalists with critical notorieties for their nonmonetary, high esteem added commitments to sprouting firms. Venture capitalists who can assume an exceptionally valuable part in developing firms can pull in higher-quality ventures.

On other hand there is huge effect of venture capital on organizations i.e. new businesses. The paper clarifies that what is the commitment of venture capital in financial improvement. This depends on essential information for the most part.

Keywords: Venture capital, Indian Economy, Developing firms

1. Introduction:

Corporate financing has seen numerous progressions beginning from casual financing to very expert institutional financing and different budgetary instruments have been the foundation of mechanical development world over. Venture capital is one such instrument that has accomplished much achievement in created nations. It has made critical commitment in growing new advances and helped augmenting the modern base of a nation. In the USA and other created nations Venture Capital movement created through the endeavors of the people and gatherings of people in the private segment, and the adjustments in the legislature monetary approach making stores accessible to little organizations have given further stimulus to the improvement of Venture Capital action. Despite what might be expected in the creating nations like India, governments have stepped up with regards to build up the Venture Capital action. Venture Capital can assume a noteworthy part in creating business enterprise in nations like India by working up proficient organizations, which can contend universally with an aggressive edge.

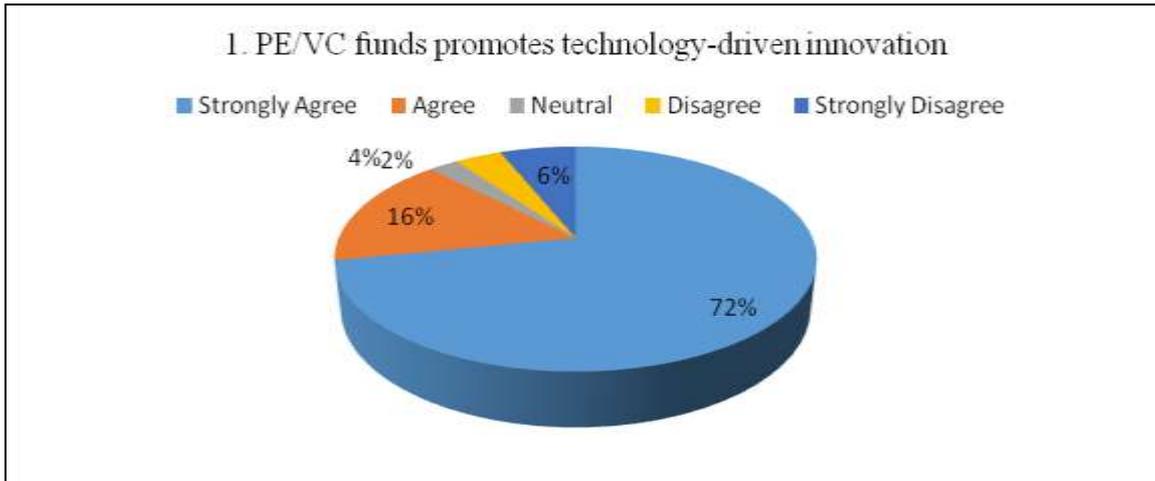
2. Objectives

- To recognize the contribution of venture capital in economic development
- To locate forward the views regarding venture capital by business houses

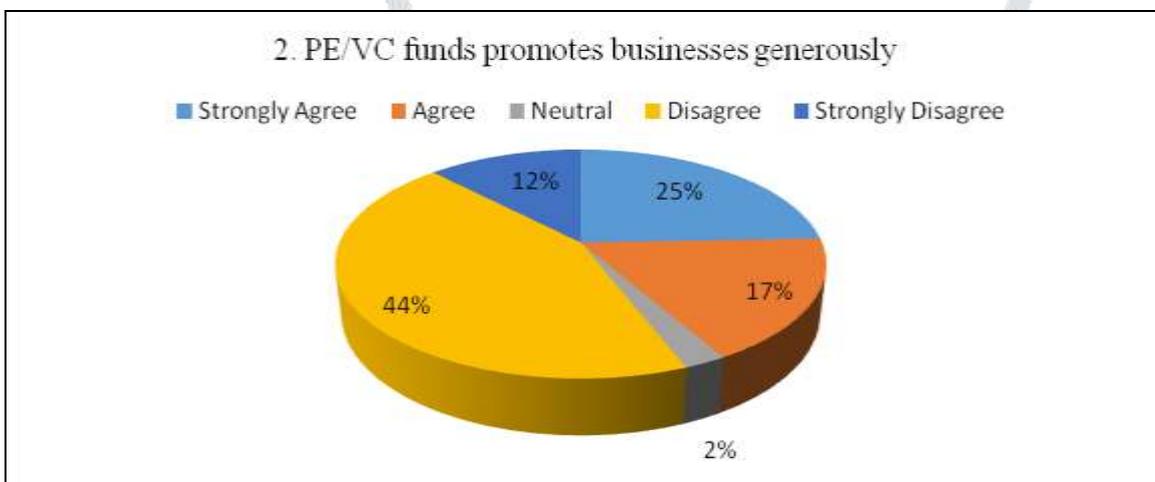
3. Research Methodology

The research is mainly based on primary data collected from businesses of SME nature.

4. Data Presentation and analysis



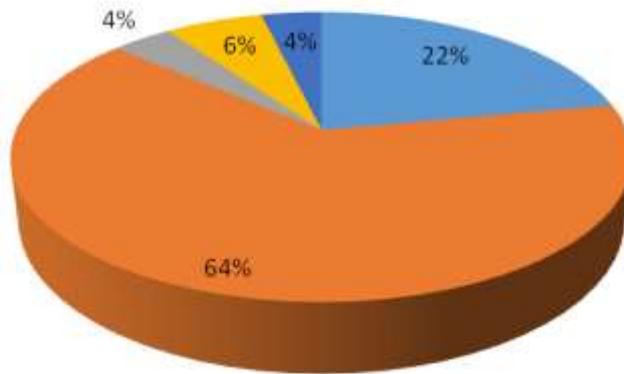
88% of the respondents supports the fact that PE/VC Funds promotes technology-driven innovation which helps Private Equity and Venture Capital to create significant impact in development of Startups in Maharashtra State.



58% of the respondents do not supports the fact that PE/VC funds promotes businesses generously which means this fact do not help Private Equity and Venture Capital to create significant impact in development of Startups in Maharashtra State.

3. PE/VC funds promotes businesses when they have marketable ideas

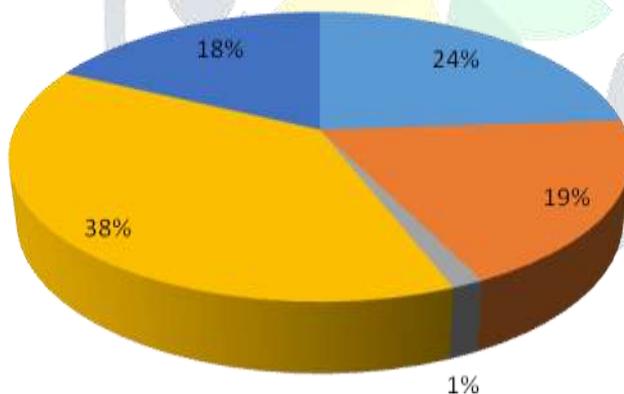
Strongly Agree Agree Neutral Disagree Strongly Disagree



86% of the respondents support the fact that PE/VC funds promote businesses when they have marketable ideas which helps Private Equity and Venture Capital to create significant impact in development of Startups in Maharashtra State.

4. PE/VC Funds prefer to invest in service sector only

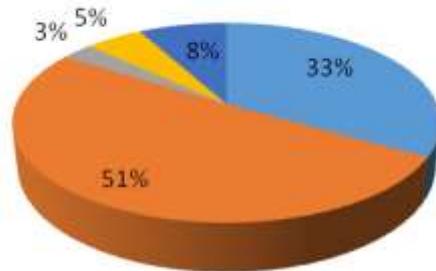
Strongly Agree Agree Neutral Disagree Strongly Disagree



57% of the respondents do not supports the fact that PE/VC Funds prefer to invest in service sector only which means this fact do not help Private Equity and Venture Capital to create significant impact in development of Startups in Maharashtra State.

5. It is difficult for the businessman to raise the necessary capital from conventional sources like banks and primary capital markets for conventional businesses

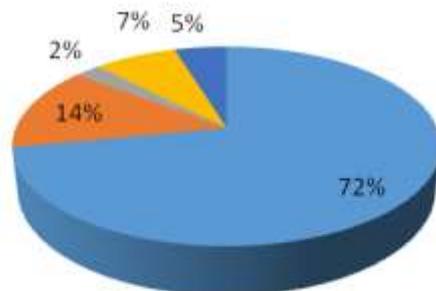
■ Strongly Agree ■ Agree ■ Neutral ■ Disagree ■ Strongly Disagree



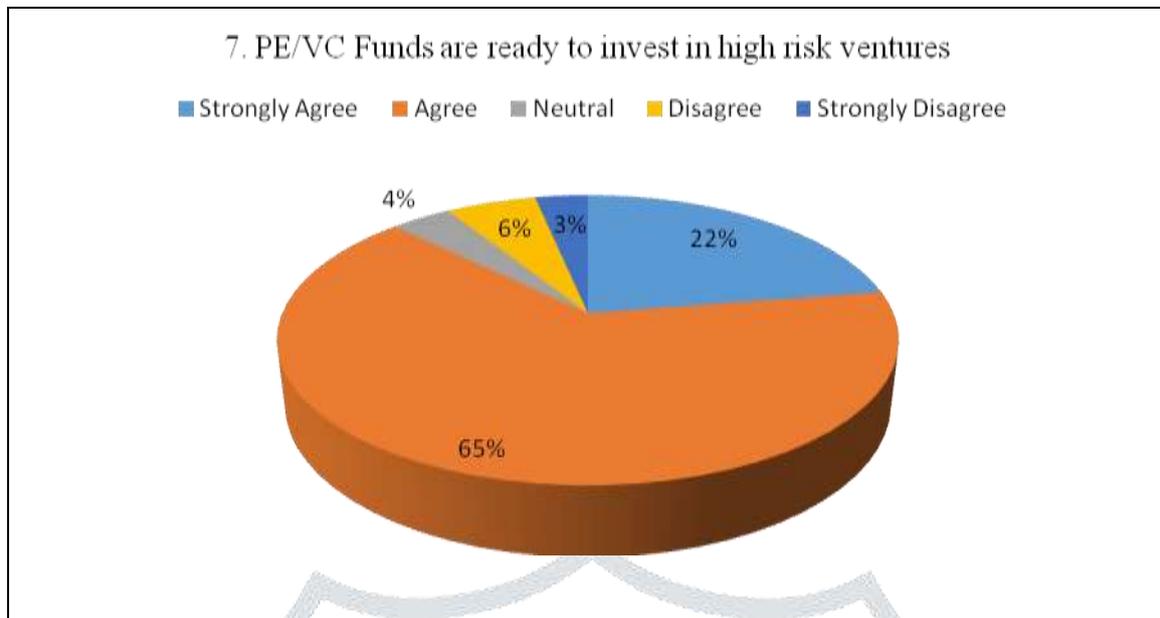
84% of the respondents support the fact that for the businessman it is difficult to raise the necessary capital from conventional sources like banks and primary capital markets for conventional businesses which helps Private Equity and Venture Capital to create significant impact in development of Startups in Maharashtra State.

6. It is difficult for the businessman to raise the necessary capital from conventional sources like banks and primary capital markets for businesses based on innovative ideas

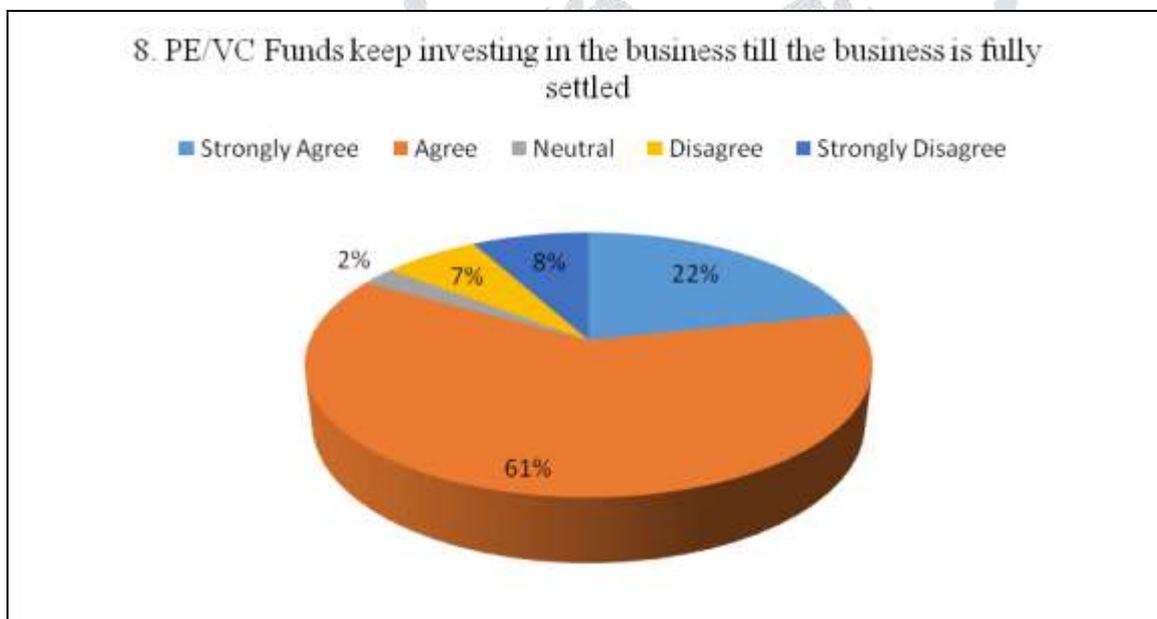
■ Strongly Agree ■ Agree ■ Neutral ■ Disagree ■ Strongly Disagree



86% of the respondents support the fact that for the businessman it is difficult to raise the necessary capital from conventional sources like banks and primary capital markets for businesses based on innovative ideas which helps Private Equity and Venture Capital to create significant impact in development of Startups in Maharashtra State.



87% of the respondents support the fact that PE/VC Funds are ready to invest in high risk ventures which helps Private Equity and Venture Capital to create significant impact in development of Startups in Maharashtra State.



83% of the respondents supports the fact that. PE/VC Funds keep investing in the business till the business is fully settled which helps Private Equity and Venture Capital to create significant impact in development of Startups in Maharashtra State.

5. Conclusion

At long last, it might be crooked to state that Venture Capital assets are blasting in India yet beyond any doubt these assets are picking up force in India. The post subprime emergency period was the thriving point where these assets streamed exceptionally well. These assets have likewise made them alright with Indian administration framework. These assets are thoroughly following different rules given by different

government bodies like SEBI, RBI, FinMin, and Ministry of External Affairs. The vast majority of the respondents of the exploration consents to the significance of venture capital in monetary advancement of the country. It is likewise to watch that the monetary improvement of the country is finished by VC reserves since they put resources into dangerous and creative organizations.

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