

AN EVALUATION ON FINANCIAL ASSISTANCE OF INDIAN VENTURE CAPITALIST

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ABSTRACT

In recent times, number of Venture Capital Companies/ Funds has been set up by commercial banks, private sector units, state financial institutions and foreign companies in India. Unlike in the case of developed countries, the contributions from insurance companies and pension funds have been very negligible. Such a situation warrants the SEBI and the Government to review the operational performance of venture capital companies and the adequacy of the guidelines in meeting the venture activities. The present study attempts to find out the financial assistance of the capitalist to Venture capital aided companies/units and how and to what extent the investors help the units to survive and grow in the competitive market. The main objectives of the study are to evaluate and analysis the investees' view on nature financial assistance of Indian venture capitalists. It also examines the relationship between the Indian venture capitalists and their assisted units. The study is both empirical and analytical in nature. The study depends on both the primary sources of data. The primary data were collected through a well-structured questionnaire. A scrutiny of the 42 questionnaires led to the rejection of 6 questionnaires on account of incomplete responses. Thus, the responses of 36 assisted units were used for the present study. The 36 sample units were classified based on the form of assistance received in two groups of equity support and debt/bonds. Public Limited companies attracted more equity assistance and private companies and partnership firm are provided debt finance. Assistance also varied according to the type of industry, technology level of assisted units, project size, product type and approach adapted by VCFs to their assisted unites. Thus, the analysis shows that assisted companies differ widely in their experience, opinions and operations characteristics.

KEYWORDS: *Venture Capital Companies, Commercial Banks, Private Sector Units*