A Study on Venture Capital for New Venture Creation in India

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Abstract

Venture Capital plays a strategic role in financing small scale enterprises and high technology and risky ventures. Venture Capital is “equity support to fund new concepts that involve a higher risk, and at the same time, have a high growth and profit.” A Venture Capitalist (VC) is a person who makes such investments. These include wealthy investors, investment banks, other financial institutions other partnerships. Venture Capital undertakings take a longer time say, 5-10 years at a minimum to come out commercially successful. One should, thus, be able to wait patiently for the outcome of the venture. Venture Capitalists (VCs) represent the most glamorous and appealing form of financing to many entrepreneurs. They’re known for backing high-growth companies in the early stages, and many of the best-known entrepreneurial success stories owe their growth to financing from Venture Capitalists. The paper is based on secondary data and the data was procured from published sources. The research paper is to build the required knowledge and skills to handle the challenge of setting up and managing the early stages of start-up and evolution of new ventures. Venture Capital is the capital invested in a business where the chances of success are uncertain.

Keywords: Entrepreneurs, Venture Capital, Seed capital, New Venture Capitalist.