



Venture capital investment in India

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Abstract

Venture capital financing is an alternative source of financing business projects, particularly those that are high-technology, high-risk and high return based. Venture capital is a new financial service, the emergence of which went towards developing strategies to help a new class of new entrepreneurs to convert their business ideas into realities. There is a need for further encouragement of risk capital in India as this widens the industrial base of hi-tech industries and promotes the growth of the technology. The venture capital movement did not take deep roots in India so far, but the scope for further progress is enormous.

Keywords: entrepreneurs, innovation, financial services, venture capital

1. Introduction

The traditional sources of financing focus on projects with proven technology and clearly identifiable market demand. However, such projects cannot contribute to the development of an economy as fast and as much as desired. It is only innovation-in technology, products, management or any aspect of business-that can foster and accelerate the growth and development of an economy. In other words, innovation is the mantra or the key to the rapid economic development of a country. Therefore, it is necessary to promote and develop projects that involve new technology, new entrepreneurship or new management to produce and deliver innovative goods and services to society. Though such projects need to be encouraged and developed on a priority basis, the conventional sources of financing have not paid much attention on them. Traditional credit institutions like commercial banks and term-lending institutions (development banks), being risk-averse and security-oriented, generally do not evince interest in financing untried technologies or innovative projects, which are high-risk businesses with high mortality rates. It is in this context that venture capital funds or firms have come into existence to play a pivotal role. Venture capital financing began in the twentieth century to promote and develop innovative projects which foster the development of economy. Venture capital financing is an alternative source of financing business projects, particularly those that are high-technology, high-risk and high return based. If a project is high-risk, the conventional sources of financing like bank credit and other institutional credit might not be available to it. The only source of financing that might be available to such projects is risk capital, which is known as venture capital. Venture capital is a new financial service, the

emergence of which went towards developing strategies to help a new class of new entrepreneurs to convert their business ideas into realities. As the name suggests it implies capital provided to start a new venture. The capital provided to start a venture is known as venture capital. In particular, for a small entrepreneur with zeal and dynamism but inadequate or lack of finance, venture capital or seed capital is a boom making it a launching pad for financial growth.

2. Objectives of the Present Paper

1. To analyze the Venture Capital Investment in India.
2. To analyze the Industry-wise investments of Indian Venture Capital Investors (IVCIs) and investments Foreign Venture capital Investors (FVCIs).

3. Methodology

Secondary data were collected to review the present status of venture capital in India. The information and data for the preparation of the paper were collected from books, articles, reports and the like.

4. Venture Capital Investment in India

The development of the organized venture capital industry in India, as is in existence today, was slow and belaboured, circumscribed by resource constraints resulting from the overall framework of the socialistic economic paradigms. Although funding for new businesses was available from banks and government- owned development financial institutions, it was provided as collateral-based money on project-financing basis, which made it difficult for most new entrepreneurs, especially those who were technology and services based, to raise money for their ideas and businesses.

Table 1: Venture Capital investors in India and abroad and have registered with SEBI and the progress over a period of ten years from 2007-08 to 2016-17

Year	Venture Capital Investors in India	Foreign Venture capital Investors (FVCIs)	Total Investors
2007-08	106 (52.22) (5.87)	97 (47.78) (5.68)	203 (100.00) (5.78)
2008-09	132 (50.57) (7.31)	129 (49.43) (7.55)	261 (100.00) (7.43)
2009-10	158 (52.49) (8.75)	143 (47.51) (8.37)	301 (100.00) (8.56)
2010-11	184 (54.60) (10.19)	153 (45.40) (8.96)	337 (100.00) (9.59)
2011-12	207 (54.19) (11.46)	175 (45.81) (10.25)	382 (100.00) (10.87)
2012-13	211 (53.69) (11.68)	182 (46.31) (10.66)	393 (100.00) (11.18)
2013-14	209 (52.12) (11.57)	192 (47.88) (11.24)	401 (100.00) (11.41)
2014-15	201 (49.63) (11.13)	204 (50.37) (11.94)	405 (100.00) (11.53)
2015-16	200 (48.19) (11.07)	215 (51.81) (12.59)	415 (100.00) (11.81)
2016-17	198 (47.60) (10.96)	218 (52.40) (12.76)	416 (100.00) (11.84)
Total	1806 (51.39) (100.00)	1708 (4.61) (100.00)	3514 (100.00) (100.00)

Source: Statistical hand books of SEBI from 2007-08 to 2016-17.

Table 1 explains the progress in the number of Indian Venture Investors (IVCIs), foreign Venture Capital Investors (FVCIs) and total number of investors registered with stock exchange board of India (SEBI) over a period of ten years from 2007-08 to 2016-17. It is understood from the table above that the venture capital investor's number in India was gradually increased from 106 in 2007-08 to 211 in 2012-13 and it is decreased to 198 in the last year of the ten year study period (2016-17). The trend in the growth of venture capital investors in India registered with SEBI was increased from 5.87 per cent in 2007-08 to 11.68 percent in 2012-13 and slightly decreased to 10.93 per cent in 2016-17 whereas the number of foreign venture capital investors registered with SEBI in absolute terms was increased continuously over a entire study period of ten years from 97 in 2007-08 to 218 in 2016-17. The trend in the growth of foreign venture capital investors registered with SEBI showed an increasing trend from 5.68

per cent in 2007-08 to 12.96 per cent in 2016-17 whereas the total number of investors registered with SEBI in absolute terms was increased from year to year for the entire study period of ten years the number of total venture capitalists which was registered with SEBI was 203 in 2007-08 and increased to 416 in 2016-17. The growth in the number of investors registered with SEBI was 5.78 per cent in 2007-08 and it was increased to 11.84 per cent in 2016-17.

If we compare the number of venture capital investors which was registered with SEBI with that of number of foreign venture capital investors which was registered with SEBI it can be under stood that the number of Indian venture capital investors which was registered with SEBI is higher than the number of foreign venture capital investors which was registered with SEBI. The rate of growth registered in foreign venture capital investors much higher than the rate of growth registered in number of Indian venture capital investors.

Table 2: Investment by Indian Venture capital Investors (IVCIs) and Foreign Venture Capital Investors (FVCIs) from 2007-08 to 2016-17 (Rs. In crores)

Year	Investment by Indian Venture capital Investors (IVCIs)	Investment by Foreign Venture Capital Investors (FVCIs)	Total Investment
2007-08	19955 (54.43) (6.99)	16705 (45.57) (4.44)	36660 (100.00) (5.54)
2008-09	22771 (49.70) (7.97)	23047 (50.30) (6.13)	45818 (100.00) (6.92)
2009-10	18273 (38.74) (6.40)	28894 (61.26) (7.68)	47167 (100.00) (7.13)
2010-11	25576 (41.81) (8.96)	35593 (58.19) (9.46)	61169 (100.00) (9.24)
2011-12	28920 (42.07) (10.13)	39815 (57.93) (10.58)	68735 (100.00) (10.39)
2012-13	31336 (43.22) (10.97)	41174 (56.78) (10.94)	72510 (100.00) (10.96)
2013-14	35987 (44.29) (12.60)	45262 (55.71) (12.03)	81249 (100.00) (12.28)
2014-15	36563 (45.10) (12.80)	44516 (54.90) (11.83)	81079 (100.00) (12.25)
2015-16	37410 (45.40) (13.10)	44984 (54.60) (11.96)	82394 (100.00) (12.45)
2016-17	28813 (33.89) (10.09)	56205 (66.11) (14.94)	85018 (100.00) (12.85)
Total	285604 (43.16) (100.00)	376195 (56.84) (100.00)	661779 (100.00) (100.00)

Source: Annual Reports of SEBI from 2007-08 to 2016-17.

Table 2 reveals the quantitative of investment made by Indian Venture Capital Investors (IVCIs), investment made by Foreign Venture Capital Investors (FVCIs) and the total investment. It is understood that the investment made by Indian venture capital investors was increased in the first two years from Rs 19955 crores in 2007-08 to Rs 22771 crores in 2008-09 then decreased to Rs 18273 crores in 2009-10 thereafter the same was increased from Rs 25576 crores in 2010-11 to Rs 37410 crores in 2015-16 and slightly decreased to Rs 28813 crores in 2016-17. The trend in the growth of

investment made by Indian venture capital investors was also showed a similar trend 6.99 per cent in 2007-0 to 7.97 per cent in 2008-09 then decreased to 6.40 per cent in 2009-10 then the same was increased from 8.96 per cent in 2010-11 to 13.10 per cent in 2015-16 and decreased to 10.09 per cent in 2016-17 whereas investment made by foreign venture capital investors was increased in the first seven years from Rs 16705 crores in 2007-08 to Rs 45262 crores in 2013-14 then decreased to Rs 44516 crores in 2014-15 and then the same was increased to Rs 56205 crores in 2016-17. The trend in the

growth of investment made by foreign venture capital investors was showed an increasing trend from 4.44 per cent in 2007-08 to 12.03 percent in 2013-14 decreased to 11.83 per cent in 2014-15 increased to 14.94 per cent. Whereas the total investment made by both Indian venture capital investors and investment made by foreign venture capital investors was also increased from Rs 3660 crores in 2007-08 to Rs 81249 crores in 2013-14 decreased to Rs 81079 crores in 2014-15 and then increased to Rs 85018 crores in 2016-17. The trend in the growth of total investment made by both Indian venture capital funds and investment made by foreign venture capital investors was showed an increasing trend from 5.54 per cent in 2007-08 to 12.28 per cent in 2013-14 decreased to 12.25 per cent in 2014-15 increased to 12.85 per cent in 2016-17.

If we compare the investment made by Indian venture capital investors with that of investment made by foreign venture capital investors it is understood that the investment made by Indian venture capital investors was increased in the first two years (2007-08 to 2008-09) then slightly decreased in 2009-10 thereafter the same was significantly increased from 2010-11 to 2013-14 and decreased in the last year of the study period whereas the investment made by foreign venture capital investors was gradually increased in the first seven years from 2007-08 to 2013-14 decreased in 2014-15 then gradually increased the last two years of the study period. Further it can be understood that the investment made by foreign venture capital investors are higher than the investment made by Indian venture capital investors.

Table 3: Year/Industry-wise investments of Indian venture capital investors (IVCIs) and investments Foreign Venture capital Investors (FVCIs) over a ten year study period from 2007-08 to 2016-17 (Rs. in crores)

Year	Information Technology			Telecommunications			Pharmaceuticals			Biotechnology			Media/Entertainment		
	IVCIs	FVCIs	Total	IVCIs	FVCIs	Total	IVCIs	FVCIs	Total	IVCIs	FVCIs	Total	IVCIs	FVCIs	Total
2007-08	817 (2.23) (8.64)	1443 (3.94) (4.06)	2260 (6.16) (5.02)	188 (0.51) (2.08)	893 (2.44) (17.04)	1081 (2.95) (1.70)	822 (2.24) (15.70)	598 (1.63) (8.94)	1420 (3.87) (12.25)	354 (0.97) (15.31)	31 (0.08) (2.41)	385 (1.05) (10.70)	406 (1.11) (5.45)	69 (0.19) (10.03)	475 (1.29) (3.61)
2008-09	805 (1.76) (8.52)	1837 (4.00) (5.20)	2642 (5.76) (5.90)	215 (0.47) (2.38)	2788 (6.08) (5.05)	3003 (6.55) (4.70)	829 (1.81) (15.81)	492 (1.07) (7.75)	1321 (2.88) (11.40)	317 (0.69) (13.71)	48 (0.10) (3.73)	365 (0.79) (10.14)	721 (1.57) (9.69)	285 (0.62) (4.14)	1006 (2.19) (7.64)
2009-10	563 (1.19) (5.95)	2787 (5.91) (7.84)	3350 (7.10) (7.44)	777 (1.65) (8.59)	6199 (13.34) (11.23)	6976 (14.79) (10.90)	568 (1.20) (10.83)	1089 (2.31) (17.15)	1657 (3.51) (14.30)	228 (0.48) (9.90)	188 (0.40) (14.62)	416 (0.88) (11.60)	584 (1.24) (7.85)	763 (1.62) (11.09)	1347 (2.86) (10.23)
2010-11	564 (0.92) (5.96)	3436 (5.62) (9.70)	4000 (6.54) (8.90)	1092 (1.79) (12.08)	7221 (11.80) (13.08)	8313 (13.59) (12.94)	457 (0.75) (8.71)	976 (1.60) (15.40)	1433 (2.34) (12.40)	186 (0.30) (8.04)	139 (0.23) (10.80)	325 (0.53) (9.03)	903 (1.48) (12.13)	705 (1.15) (10.25)	1608 (2.36) (12.22)
2011-12	597 (0.87) (6.32)	3863 (5.62) (10.90)	4460 (6.49) (9.91)	1183 (1.72) (13.09)	6786 (9.87) (12.30)	7969 (11.59) (12.40)	543 (0.79) (10.40)	774 (1.13) (12.20)	1317 (1.92) (11.40)	188 (0.27) (8.13)	140 (0.20) (10.90)	328 (0.47) (9.12)	853 (1.24) (11.46)	746 (1.09) (10.84)	1599 (2.33) (12.15)
2012-13	744 (1.02) (7.90)	3909 (5.39) (10.99)	4653 (6.42) (10.33)	930 (1.28) (10.30)	5587 (7.71) (10.12)	6517 (8.99) (10.14)	426 (0.59) (8.12)	744 (1.03) (11.71)	1170 (1.61) (10.10)	210 (0.29) (9.10)	107 (0.15) (8.32)	317 (0.44) (8.81)	928 (1.28) (12.47)	792 (1.09) (11.51)	1720 (2.37) (13.07)
2013-14	974 (1.20) (10.30)	4529 (5.57) (12.73)	5503 (6.77) (12.22)	1255 (1.54) (13.89)	7070 (8.70) (12.80)	8325 (10.25) (12.96)	411 (0.51) (7.84)	688 (0.85) (10.83)	1099 (1.35) (9.50)	223 (0.27) (9.65)	142 (0.17) (11.04)	365 (0.45) (10.14)	1011 (1.24) (13.58)	830 (1.02) (12.06)	1841 (2.27) (13.99)
2014-15	1335 (1.65) (14.12)	4965 (6.12) (13.95)	6300 (7.77) (13.99)	1351 (1.67) (14.95)	6406 (7.90) (11.60)	7757 (9.54) (12.07)	387 (0.48) (7.40)	471 (0.58) (7.42)	858 (1.06) (7.40)	204 (0.25) (8.82)	105 (0.13) (8.20)	309 (0.38) (8.60)	930 (1.15) (12.50)	961 (1.19) (13.97)	1891 (2.34) (14.37)
2015-16	1843 (2.24) (19.50)	3993 (4.85) (11.24)	5836 (7.08) (12.96)	1339 (1.63) (14.82)	6600 (8.01) (11.95)	7939 (9.64) (12.36)	489 (0.59) (9.32)	327 (0.40) (5.15)	816 (0.99) (7.04)	252 (0.30) (10.90)	111 (0.13) (8.63)	363 (0.43) (10.09)	716 (0.87) (9.62)	958 (1.16) (13.92)	1674 (2.03) (12.72)
2016-17	1210 (1.42) (12.80)	4805 (5.65) (13.51)	6015 (7.07) (13.40)	707 (0.83) (7.82)	5664 (6.66) (10.25)	6371 (7.49) (9.92)	313 (0.37) (5.96)	192 (0.23) (3.02)	505 (0.59) (4.40)	150 (0.18) (6.50)	275 (0.32) (21.40)	425 (0.50) (11.81)	391 (0.46) (5.30)	771 (0.91) (11.21)	1162 (1.37) (8.83)
Total	9452 (1.43) (100.00)	35567 (5.37) (100.00)	45019 (6.80) (100.00)	9037 (1.37) (100.00)	55214 (8.34) (100.00)	64251 (9.71) (100.00)	5245 (0.79) (100.00)	6351 (0.96) (100.00)	11596 (1.75) (100.00)	2312 (0.35) (100.00)	1286 (0.19) (100.00)	3598 (0.54) (100.00)	7443 (1.12) (100.00)	6880 (1.04) (100.00)	14323 (2.16) (100.00)
2007-08	1341 (3.66) (6.36)	1090 (2.97) (5.05)	2431 (6.63) (5.70)	811 (2.21) (7.53)	748 (2.04) (6.36)	1559 (4.25) (6.93)	5054 (13.79) (5.95)	2231 (6.09) (11.55)	7285 (19.87) (8.32)	10162 (27.72) (7.51)	9602 (26.19) (4.84)	19764 (53.91) (5.75)	19955 (54.43) (6.99)	16705 (45.57) (4.44)	36660 (100.00) (5.54)
2008-09	1770 (3.86) (8.39)	1293 (2.82) (5.99)	3063 (6.68) (7.18)	1139 (2.49) (10.58)	1201 (2.62) (10.24)	2340 (5.11) (10.40)	5242 (11.44) (6.17)	1431 (3.12) (7.41)	6673 (14.56) (6.40)	11733 (25.61) (8.67)	13672 (29.84) (6.89)	25405 (55.45) (7.39)	22771 (49.70) (7.97)	23047 (50.30) (6.13)	45818 (100.00) (6.92)
2009-10	902 (1.91) (4.28)	2157 (4.58) (10.00)	3059 (6.49) (7.17)	875 (1.86) (8.13)	1451 (3.08) (12.37)	2326 (4.93) (10.34)	5584 (11.84) (6.57)	3397 (7.20) (17.59)	8981 (19.04) (8.61)	8192 (17.37) (6.05)	10863 (23.03) (5.47)	19055 (40.40) (5.54)	18273 (38.74) (6.40)	28894 (61.26) (7.68)	47167 (100.00) (7.13)
2010-11	1168 (1.91) (5.54)	1903 (3.11) (8.33)	3071 (5.02) (7.20)	947 (1.55) (8.80)	1102 (1.80) (9.39)	2049 (3.35) (9.10)	8700 (14.23) (10.24)	2987 (4.88) (15.47)	11687 (19.11) (11.21)	11559 (18.90) (8.54)	17124 (27.99) (8.62)	28683 (46.89) (8.34)	25576 (41.81) (8.96)	35593 (58.19) (9.46)	61169 (100.00) (9.24)

2011-12	1991 (2.90) (9.44)	2355 (3.43) (10.92)	4346 (6.32) (10.19)	1129 (1.64) (10.49)	1193 (1.74) (10.17)	2322 (3.38) (10.32)	9300 (13.53) (10.95)	2731 (3.97) (14.14)	12031 (17.50) (11.54)	13135 (19.11) (9.71)	21228 (30.88) (10.69)	34363 (49.99) (9.99)	28920 (42.07) (10.13)	39815 (57.93) (10.58)	68735 (100.00) (10.39)
2012-13	2130 (2.94) (10.10)	2394 (3.30) (11.10)	4524 (6.24) (10.61)	1217 (1.68) (11.31)	1506 (2.08) (12.84)	2723 (3.76) (12.10)	10413 (14.36) (12.26)	2151 (2.97) (11.14)	12564 (17.33) (12.05)	14339 (19.77) (10.60)	23984 (33.08) (12.08)	38323 (52.85) (11.14)	31336 (43.22) (10.97)	41174 (56.78) (10.94)	72510 (100.00) (10.96)
2013-14	2553 (3.14) (12.11)	2513 (3.09) (11.65)	5066 (6.24) (11.88)	1273 (1.57) (11.83)	1319 (1.62) (11.24)	2592 (3.19) (11.52)	11486 (14.14) (13.52)	1751 (2.16) (9.07)	13237 (16.29) (12.70)	16800 (20.68) (12.42)	26421 (32.53) (13.31)	43221 (23.19) (12.57)	35987 (44.29) (12.60)	45262 (55.71) (12.03)	81249 (100.00) (12.28)
2014-15	3008 (3.71) (14.26)	2609 (3.21) (12.09)	5617 (6.93) (13.17)	1287 (1.59) (11.96)	1298 (1.60) (11.06)	2585 (3.18) (11.49)	10924 (13.47) (12.86)	1156 (1.43) (5.99)	12080 (14.90) (11.59)	17137 (21.14) (12.67)	26548 (32.74) (13.37)	43685 (53.88) (12.70)	36563 (45.10) (12.80)	44516 (54.90) (11.83)	81079 (100.00) (12.25)
2015-16	3488 (4.23) (16.54)	2731 (3.31) (12.67)	6219 (7.55) (14.58)	1068 (1.30) (9.92)	897 (1.09) (7.65)	1965 (2.38) (8.73)	10060 (12.21) (11.84)	992 (1.20) (5.14)	11052 (13.41) (10.60)	18154 (22.03) (13.42)	28375 (34.44) (14.29)	46529 (56.47) (13.53)	37410 (45.40) (13.10)	44984 (54.60) (11.96)	82394 (100.00) (12.45)
2016-17	2738 (3.22) (12.98)	2518 (2.96) (11.68)	5256 (6.18) (12.32)	1018 (1.20) (9.46)	492 (0.58) (4.19)	1510 (1.78) (6.71)	8190 (9.63) (9.64)	485 (0.57) (2.51)	8675 (10.20) (8.32)	14096 (16.58) (10.42)	30830 (36.26) (15.53)	44926 (52.84) (13.06)	28813 (33.89) (10.09)	56205 (66.11) (14.94)	85018 (100.00) (12.85)
Total	21089 (3.19) (100.00)	21563 (3.26) (100.00)	42652 (6.45) (100.00)	10764 (1.63) (100.00)	11733 (1.77) (100.00)	22497 (3.40) (100.00)	84953 (12.84) (100.00)	19312 (2.91) (100.00)	104265 (15.75) (100.00)	135307 (20.45) (100.00)	198557 (30.00) (100.00)	343954 (51.95) (100.00)	285604 (43.16) (100.00)	376195 (56.84) (100.00)	661799 (100.00) (100.00)

Source: Statistical Hand Book of SEBI from 2007-08 to 2016-17.

Table 3 shows the investment made by Indian venture capitalists and as well as foreign venture capitalists in different industries of India over a ten year study period. The venture capital fund of Indian venture capitalists was increased in the first two years from Rs 19955 crores in 2007-08 to Rs 22771 crores in 2008-09 then gradually increased to Rs 37410 crores in 2015-16 and decreased to Rs 28813 crores in the last year of the study period. The rate of investment of Indian venture capitalists in its total in different industries in 2007-08 was 6.99 per cent and it was increased to 7.97 per cent in 2008-09 then slightly decreased to 6.40 per cent in 2009-10 then the same was increased to 13.10 per cent in 2015-16 and decreased to 10.09 in the last year of the study period 2016-17. Whereas the investment of foreign venture capitalists in absolute terms was also increased from year to year. The size of the investments of foreign venture capitalists is so significant than the size of the investment of Indian venture capitalists. The investment of foreign venture capitalists in India in 2007-08 was Rs 16705 crores and it was increased to Rs 45262 crores in 2013-14 then decreased to Rs 44516 crores in 2014-15 and increased to Rs 56205 crores in 2016-17. The investment rate of foreign venture capitalists in India is of much impressive. The investment rate of foreign venture capitalists in India in 2007-08 was 4.4 per cent and it was increased to 12.03 per cent in 2013-14 it was decreased to 11.83 per cent in 2014-15 and the same was increased to 14.94 per cent in 2016-17. The total investment of Indian venture capitalists over ten year study period in absolute terms in different industries together in India was Rs 285604 crores. Whereas the investment of foreign venture capitalists in different industries together in India was Rs 376195 crores. The investment of share of Indian venture capitalists in different industries in India was 43.16 per cent whereas the investment share of foreign venture capitalists different industries together in India over ten year period was 56.84 per cent. This reveals that the investment share of foreign venture capitalists in India in different industries is much higher than the investment share of Indian venture capitalists in different

industries in India.

The Indian venture capitalists have invested much of their investment in other industries other than information technology, telecommunication, pharmaceuticals, bio-technology, media/entertainment, service sector, industrial products and real estate followed by real estates, service sector, telecommunication sector and the like., whereas the foreign venture capitalists have made much of their investment in telecommunication, followed by information technology, real estates, service sector, industrial products, pharmaceuticals, media/entertainment and bio-technology. The investment of Indian venture capitalists than the investment of foreign venture capitalists are high in others, real estates, bio-technology and media/entertainment whereas the investment of foreign venture capitalists are much higher than investment of Indian venture capitalists in telecommunication, information technology, pharmaceuticals, service sector and industrial products. In all the years the investment of foreign venture capitalists are much higher than investment of Indian venture capitalists.

5. Conclusion

The venture capital funds or firms have come into existence to play a pivotal role. Venture capital financing began in the twentieth century to promote and develop innovative projects which foster the development of economy. Venture capital financing is an alternative source of financing business projects, particularly those that are high-technology, high-risk and high return based. The development of the organized venture capital industry in India, as is in existence today, was slow and belaboured, circumscribed by resource constraints resulting from the overall framework of the socialistic economic paradigms. It can be under stood that the number of Indian venture capital investors which was registered with SEBI is higher than the number of foreign venture capital investors which was registered with SEBI. The rate of growth registered in foreign venture capital investors much higher than the rate of growth registered in number of Indian venture

capital investors. Investment made by Indian venture capital investors with that of investment made by foreign venture capital investors. Further it can be understood that the investment made by foreign venture capital investors are higher than the investment made by Indian venture capital investors. The investment of share of Indian venture capitalists in different industries in India was 43.16 per cent whereas the investment share of foreign venture capitalists different industries together in India over ten year period was 56.84 per cent. This reveals that the investment share of foreign venture capitalists in India in different industries is much higher than the investment share of Indian venture capitalists in different industries in India.

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