

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.)],

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 2255 Cities in 155 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	THE CONTRIBUTION OF FINANCIAL MANAGEMENT PRACTICES TO FINANCIAL CHALLENGES FACING LOCAL AUTHORITIES IN SERVICE DELIVERY IN KENYA JOHN NTOITI, ROSELYN W. GAKURE, DR. ANTONY WAITITU & DR. MOUNI GEKARA	1
2.	OUTBOUND INDIAN TOURIST'S PERCEPTION OF SINGAPORE TOURISM : A LESSON FOR INDIAN TOURISM DR. RAVINDER VINAYEK & ARCHANA BHATIA	14
3.	EVALUATION OF PRODUCTIVITY AND PROFITABILITY OF SELECT SCHEDULED COMMERCIAL BANKS IN INDIA DR. U.JERINABI & LALITHA DEVI.T	22
4.	CHARACTERISTICS OF LAISSEZ-FAIRE LEADERSHIP STYLE: A CASE STUDY DR. L. JIBON KUMAR SHARMA & DR. S. KESHORJIT SINGH	29
5.	TOTAL QUALITY MANAGEMENT AND CREATIVE THINKING IN THE HEALTH CARE INDUSTRY DR. CHRIS EHIOTBUCHÉ	32
6.	IMPACT OF CSR INITIATIVES ON CONSUMER BEHAVIOR PUSHKALA MURALIDHARAN, DR. C. MADHAVI & DR. SITALAKSHMI RAMANAN	37
7.	CAPITAL STRUCTURE (DEBT-EQUITY) OF INDIAN REAL-ESTATE INDUSTRY (IREI): A STUDY K KISHORE KUMAR REDDY & C. SIVARAMI REDDY	42
8.	CONSUMER BEHAVIOR, ATTITUDE & COGNITIVE DISSONANCE TOWARDS MWO: AN EMPIRICAL STUDY WITH SPECIFIC RELEVANCE TO URBAN MIDDLE CLASS OF KOCHI ANIL KUMAR.N & DR. JELSY JOSEPH	47
9.	VENTURE CAPITAL INVESTMENTS IN INDIA SRINIVAS K T	57
10.	CHILDREN'S UNDERSTANDING OF TV ADVERTISING: A STUDY OF THE CHILDREN IN DELHI AND NCR ZUHAIB MUSTAFA, DR. RESHMA NASREEN & DR. FAROOQ AHMAD SHAH	61
11.	IMPACT OF CELEBRITIES ADVERTISEMENT TOWARDS COLLEGE STUDENTS S.JEYARADHA & DR. K. KAMALAKANNAN	66
12.	DETERMINANTS OF PROFITABILITY OF COMMERCIAL BANKS IN INDIA DR. UPASNA JOSHI & NEETI KHULLAR	71
13.	A STUDY ON ENVIRONMENT FRIENDLY MARKETING AVINASH PAREEK & DR. SATYAM PINCHA	77
14.	EMERGING TRENDS OF UNIVERSAL BANKING IN INDIA RENU SINGLA & KALIKA JAIN	81
15.	THE IMPACT OF THE PERCEIVED QUALITY, CUSTOMER SATISFACTION, BRAND TRUST AND CONTEXTUAL FACTORS ON BRAND LOYALTY MUHAMMAD RIZWAN, ALI USMAN, TAJAMUL HUSSAIN, AKASHA SHAFIQ, SANA RAUF & QURAT UL AIAN AYAZ	83
16.	HOW TO REMOVE THE UNCERTAINTY CONCERNING THE CONTINUITY OF ENTITY: THE STRONGEST EVIDENCE FROM THE VIEW POINT OF THE AUDITORS IN SAUDI ARABIA DR. BADI SALEM ALRAWASHDEH	90
17.	EMPIRICAL INVESTIGATION OF SERVICE QUALITY IN RETAIL BANKING: COMPARISON OF STATE BANK OF INDIA AND ICICI BANK, AHMADABAD RASHI M. GOPLANI	93
18.	CONSUMER LITERACY REGARDING CONSUMER PROTECTION ACT, 1986 SUDESH KHARB	97
19.	A STUDY ON ETHICAL ASPECTS OF ACCOUNTING PROFESSION- AN EXPLORATORY RESEARCH IN MSMEs CHANDRA HARIHARAN IYER & DR. G.RAVINDRAN	105
20.	THE ROLES AND CHALLENGES OF SHARE COMPANIES IN ETHIOPIA NIGUS ABERA	110
21.	CONSUMER MARKET PURCHASE DECISION: A STUDY ON DURABLE GOODS IN JAFFNA DISTRICT SATHANA.VAIKUNTHAVASAN	115
22.	RELATIONSHIP BETWEEN CAPITAL STRUCTURE AND FINANCIAL PERFORMANCE: EVIDENCE FROM INDIAN STOCK MARKET POOJA V. MEHTA	121
23.	AN EMPIRICAL STUDY ON FACTORS AFFECTING CONSUMER SATISFACTION IRSHAD AHMAD BHAT, NAFEEES AHMAD RATHER & FAROOQ AHMAD MIR	125
24.	RISKS IN HOUSING FINANCE THE COMMERCIAL BANKS EXPOSED TO – AN OVERVIEW RAJU D	129
25.	THE CAPITAL STRUCTURE PUZZLE SHIVI KHANNA	134
26.	FOREIGN DIRECT INVESTMENT IN INDIA: A CRITICAL ANALYSIS BHUSHAN AZAD	137
27.	CONSTRAINTS IN FINANCING OF SMEs: A CONCEPTUAL PAPER IN THE PERSPECTIVE OF PAKISTAN AAMIR AZEEM & ASMA RAFIQUE CHUGHTAI	143
28.	A SIMPLE PRICING MODEL FOR CALL OPTIONS TRADED IN NSE NIFTY OPTION MARKET: THEORY, MODEL & EMPIRICAL TEST JAYAPALAN.C	147
29.	AFFECT OF SALES PROMOTIONAL TOOLS ON PURCHASE INTENTIONS OF CONSUMERS MUHAMMAD RIZWAN, MUHAMMAD ATIF MAHAR, NOMAN SHOUKAT, RANA ZEESHAN JAVID, GULAN KHAN, MUHAMMAD DILSHAD BHATTI & MUSAB MAMOON KHICHI	156
30.	SOCIAL MEDIA MARKETING: AN IMPORTANT PHASE IN MODERN BUSINESS MANAGEMENT MAHESH L & DR. AMULYA.M	162
	REQUEST FOR FEEDBACK	165

CHIEF PATRON

PROF. K. K. AGGARWAL

Chancellor, Lingaya's University, Delhi
Founder Vice-Chancellor, Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. SAMBHAV GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. BHAVET

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. ANIL K. SAINI

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P.J.L.N.Government College, Faridabad

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PROF. V. SELVAM

SSL, VIT University, Vellore

PROF. N. SUNDARAM

VIT University, Vellore

DR. PARDEEP AHLAWAT

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

DR. S. TABASSUM SULTANA

Associate Professor, Department of Business Management, Matrusri Institute of P.G. Studies, Hyderabad

TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email address: infoijrcm@gmail.com.

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled '_____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:

Affiliation with full address, contact numbers & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION

REVIEW OF LITERATURE

NEED/IMPORTANCE OF THE STUDY

STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

SCOPE FOR FURTHER RESEARCH

ACKNOWLEDGMENTS

REFERENCES

APPENDIX/ANNEXURE

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

VENTURE CAPITAL INVESTMENTS IN INDIA

SRINIVAS K T
ASSOCIATE PROFESSOR
COMMUNITY INSTITUTE OF MANAGEMENT STUDIES
BANGALORE

ABSTRACT

Venture capital has been considered as the engine of economic growth and for promoting equitable development through knowledge based enterprise. Venture capital industry plays a significant role in technological and economic escalation of economy through its direct involvement in the development of wide variety of knowledge-intensive enterprises. The objective of present study is to explore the investment of SEBI Registered Venture Capital Funds and Foreign Venture Capital funds in India. Along with the study also helps to know the sector of economy which gains more prominence by venture capitalists for their risky investments. To achieve the aforesaid objectives the data collected from most reliable website (www.sebi.gov.in). As per researcher study the total investment values of VCF and FVCF in India have reached to Rs. 55,542 Crore as on December 31, 2012.

KEYWORDS

Risky investments, Venture Capital etc.

INTRODUCTION

India has become one of the fastest developing nations in the new millennium. It is one of the hotspots for investments with reaping rich benefits. Beside from the successful information technology, there is a enormous potential for investment, growth and development in several other sectors like Pharmaceuticals, Telecommunications, Healthcare, Electronics, Food Processing and Business Process Outsourcings (BPOs). The competitive edge of India over other developing nations like China, Russia etc., lies in its huge skilled human capital and knowledge entrapped in the research laboratories. There should be a form of finance that links all the available resources for exploration and effective utilization. This link is available in numerous forms such as bank loans, private debt, equity, bonds etc. However each of them has their own pros and cons which leads to inapplicability under different contexts. Development in the high growth sector needs not only high technology and huge capital but also the ability to take huge risks. Venture capital is the vehicle that suits this role. Venture capital is a means of equity financing for rapidly-growing private companies. Finance may be required for the start-up, development/expansion or purchase of a company. Venture capital firms invest funds on a professional basis, often focusing on a limited sector of specialization (e.g. Information Technology Infrastructure, Health/Life Sciences, Clean Technology, etc).

CONCEPT OF VENTURE CAPITAL

The term 'Venture Capital' is understood in many ways. In a narrow sense, it refers to investment in new and untried enterprises that are lacking a stable record of growth.

Venture Capital refers to the commitment of capital as shareholding, for the formulation and setting up of small firms specializing in new ideas or new technologies. It is not merely an injection of funds into a new firm, it is a simultaneous input of skill needed to setup the firm, design its marketing strategy and organize and manage it. It is an association with successive stages of firm's development with distinctive types of financing appropriate to each stage of development.

Venture Capital is long-term risk capital to finance high technology projects which involve risk but at the same time has strong potential for growth. Venture Capitalist pools their resources including managerial abilities to assist new entrepreneurs in the early years of the project. Once the project reaches the stage of profitability, they sell their equity holdings at high premium.

International Finance Corporation. Washington, (IFC) defines Venture Capital as equity or equity-featured capital seeking investment in new ideas, new companies, new products, new process or new services that offer the potential of high returns on investment. It may also include investment in turnaround situations.

VENTURE CAPITALISTS

A venture capitalist is a person or investment firm that makes venture investments, and these venture capitalists are expected to bring managerial and technical expertise as well as capital to their investments. A venture capital fund refers to a pooled investment vehicle that primarily invests the financial capital of third-party investors in enterprises that are too risky for the standard capital markets or bank loans. Venture capital firms typically comprise small teams with technology backgrounds (scientists, researchers) or those with business training or deep industry experience.

LITERATURE REVIEW

Researcher reviewed the studies done by some of our Indian eminent researchers on venture capital financing, some of the important studies are Pandey (1996), Kumar, Asim (1996), Verma (1997), Pandey (1998), Mitra (2000), Kumar, Vinay (2002), Dr. A.K.Mishra (2004), Dheeraj Pandey, Thillai Rajan (2011), Dr. A. Amruth Prasad Reddy and Dr. M Venkata Subbaiah. (2011) etc, most of the study concentrated on investments criteria, Investment process etc.

RESEARCH GAP

Researcher found in the review of literature that, majority of the studies on venture capitalists investment criteria's and venture capital investment process in India. So in present study researcher made an attempt to know the investments of domestic venture capital fund as well as foreign venture capital fund in India for the growth of the economy.

OBJECTIVE

To look into the investment of SEBI Registered Venture Capital Funds and Foreign Venture Capital funds in India

SCOPE OF THE STUDY

The present study is confined to SEBI registered domestic venture capital fund and SEBI registered foreign venture capital fund as on 31 Dec 2012 and also data analyzed for the period of six years i.e. from 31 Dec 2007 to 31 Dec 2012.

DATA COLLECTION AND METHODOLOGY

To achieve the above said objectives researcher gathered the data from secondary sources and researcher observed that as on May 31, 2012 registered domestic Venture Capital Funds and foreign venture capital funds in India are 208 and 154 respectively.

PRESENT SCENARIO**TOP FIVE SECTORS ATTRACTED MORE INVESTMENTS BY VCS DURING JAN TO DEC 2012**

Sectors of Economy	Amount (Rs. In Millions)	Deals/Investments
IT and ITES	381	133
Health and Life Science	98	18
Education	53	14
Financial Services	55	10
Energy	62	9

Source: Venture intelligence

Venture capital firms have invested around \$762 million over 206 deals in India during the 12 months ended December 2012. with 133 investments worth about \$381 million, the Information Technology and IT-Enabled Services (IT & ITES) industry retained its status as the favorite among VC investors during 2012 accounting for 65% of the investments (50% in value terms). The volume of investments in IT & ITES rose by 8% over that in 2011.

Healthcare & Life Sciences industry emerged as the second favorite destination for VC investors, attracting 18 investments worth \$98 million during the year. Education industry came in third attracting 14 investments worth \$53 million. Financial services and Energy industry were the fourth and fifth favorite industries attracting 10 investments (worth \$55 million) and 9 investments (\$62 million) respectively.

INVESTMENTS BY STAGE & REGION

Early Stage investments accounted for 82% of all VC investments in volume terms and 58% in value terms during 2012.

- Companies based in South India accounted for 45% of all VC investments (56% by value) during 2012.
- Their peers in Western India accounted for 25% of the pie in 2012 (12% by value).
- Companies based in North India accounted for 23% of the investments in 2010 (22% by value).

FAVORITE CITIES FOR VC INVESTORS

Region	Investments/Deals
Bangalore	62
National Capital Region(including New Delhi, Gurgaon and Noida)	45
Mumbai	39
Chennai	14
Hyderabad	12

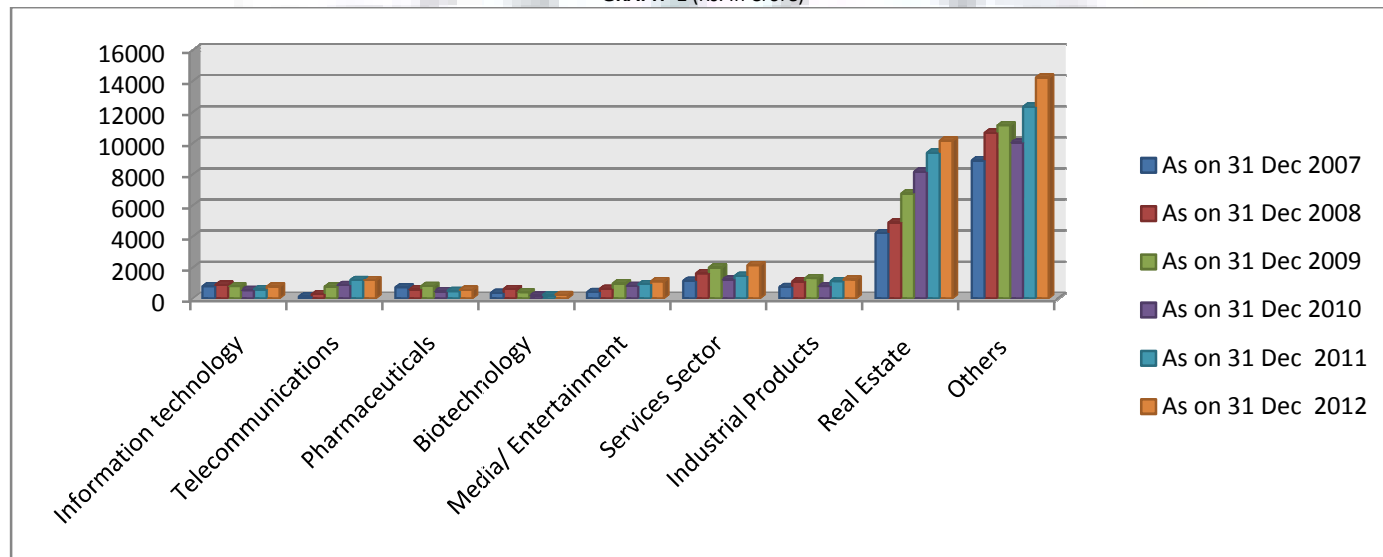
Source: Venture intelligence

Among cities, companies headquartered in Bangalore were the favorite among VC investors during 2012 attracting 62 investments, followed by National Capital Region (including New Delhi, Gurgaon and Noida) based companies that accounted for 45 investments and Mumbai based companies with 39 investments. Chennai and Hyderabad followed with 14 deals and 12 deals.

DATA ANALYSIS**TABLE – 1: INDUSTRY WISE CUMULATIVE INVESTMENT DETAILS OF SEBI REGISTERED VENTURE CAPITAL FUNDS (VCF) IN INDIA (Rs. In Crore)**

Sectors of Economy	As on 31 Dec 2007	As on 31 Dec 2008	As on 31 Dec 2009	As on 31 Dec 2010	As on 31 Dec 2011	As on 31 Dec 2012
Information technology	779	871	782	533	578	770
Telecommunications	118	275	767	858	1185	1182
Pharmaceuticals	716	581	802	460	469	550
Biotechnology	354	603	389	187	188	216
Media/ Entertainment	401	622	965	802	911	1101
Services Sector	1134	1618	1991	1215	1443	2137
Industrial Products	735	1095	1301	783	1110	1224
Real Estate	4207	4887	6753	8155	9373	10159
Others	8881	10664	11143	10029	12336	14218
Total	17325	21216	24893	23023	27592	31556

Source: www.sebi.gov.in

GRAPHICAL REPRESENTATION OF INDUSTRY WISE CUMULATIVE INVESTMENT DETAILS OF SEBI REGISTERED VENTURE CAPITAL FUNDS (VCF) IN INDIA**GRAPH- 1 (Rs. In Crore)**

The above table and Graph represents the total investments of domestic venture capital firms made in India as on 31 Dec 2007 to as on 31 Dec 2012. Total investments made by domestic venture capital funds are 31,556 Crore. And also we can observe that, the investments made in Information technology is drastically decrease in 2009 because of the global recession and bad economic condition and same is continued till 2010. After that it recovered 2011 and IT sector again started attract good investments in 2011 onwards. And pharmaceuticals and biotechnology sectors also bears up and down of investments by VCs, where as telecommunications, media/entertainment, service sector, industrial products, real estate and other sectors of economy gaining lot of prominence in terms of investments made by venture capitalists year by year. This leads create a lot of employment opportunities, increase in the standard of living and economic growth of the country.

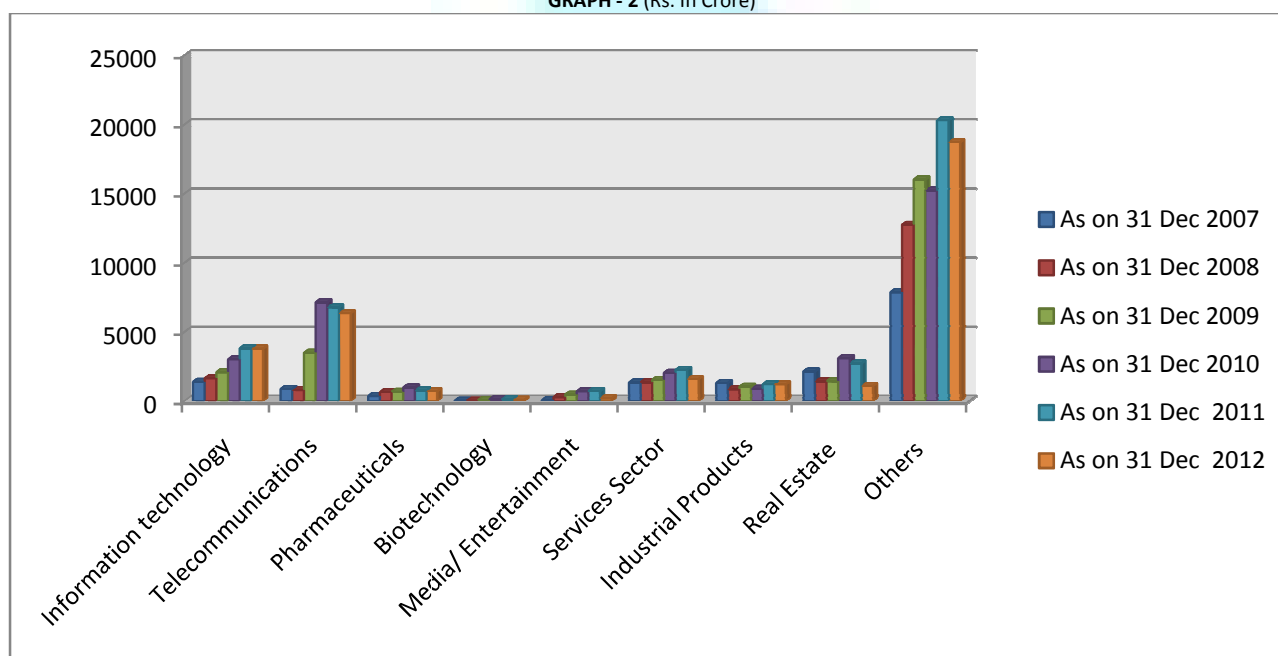
TABLE – 2: INDUSTRY WISE CUMULATIVE INVESTMENT DETAILS OF SEBI REGISTERED FOREIGN VENTURE CAPITAL FUNDS (FVCF) IN INDIA (Rs. In Crore)

Sectors of Economy	As on 31 Dec 2007	As on 31 Dec 2008	As on 31 Dec 2009	As on 31 Dec 2010	As on 31 Dec 2011	As on 31 Dec 2012
Information technology	1390	1649	2082	3016	3813	3787
Telecommunications	872	801	3502	7145	6778	6352
Pharmaceuticals	360	648	675	985	775	713
Biotechnology	31	31	72	140	140	100
Media/ Entertainment	69	284	469	701	720	209
Services Sector	1341	1358	1538	2039	2256	1596
Industrial Products	1312	856	1043	886	1217	1211
Real Estate	2141	1424	1432	3107	2725	1091
Others	7868	12749	16015	15223	20307	18716
Total	15384	19800	26827	33241	38730	33773

Source: www.sebi.gov.in

GRAPHICAL REPRESENTATION OF INDUSTRY WISE CUMULATIVE INVESTMENT DETAILS OF SEBI REGISTERED FOREIGN VENTURE CAPITAL FUNDS (FVCF) IN INDIA

GRAPH - 2 (Rs. In Crore)



The above table and Graph depicts the total investments made by foreign venture capital funds (FVCF) in India as on 31 Dec 2007 to as on 31 Dec 2012. Total investments made by foreign venture capital funds are 33,773 Crore. Along with it also depicts total investments made by FVCF in different sectors of economy. It clearly indicates that telecommunications, information technology, service sector, industrial products, real estate, and others got more magnitude by FVCF for their investments compare to biotechnology, pharmaceuticals, and media/entertainment during 2007 to 2012.

CONCLUSION

India is one of world's fastest budding economies, apart from China; no other country has as high an economic growth rate as India. Our country offers several fiscally feasible advantages to domestic venture capitalists as well as foreign venture capitalists. In spite of this, there is slow growth of venture capital industry compare to some of the advanced countries like USA, UK etc. In India the growth of VC industry is slow, because of Multiplicity of regulations, tax policy, IPO norms, lack of Flexibility in investment ceiling, sectoral restrictions and other regulatory mechanism etc.

At last no doubt, the growth of venture capital market in India is not so bad but scope for further improvement is plenty. In this context there is an urgent need by our government to take appropriate steps for the growth of venture capital industry to attract good investments for different sectors of the economy for the balanced regional development of the economy through knowledge intensive industries.

REFERENCES

1. A.Amru Prasad Reddy and. M Venkata Subbaiah. (2011), "A study with reference to APIDC VCL", International Journal of Research in Finance and Marketing, Vol.1, issue.2, pp 140-162.
2. Business Standard, Friday March 3, 2013
3. Dheeraj Pandey, Thillai Rajan (2011) International Conference on Technology and Business Management, march 28-30, pp301-314.
4. Gompers, Kovner, Lerner and Scharfstein (2006) specialization and success; Evidence from Venture Company. Working paper, Harvard Business school
5. Kumar, Asim M (1996). Venture Capital Financing in India, New Delhi: Shipra Publications, p 53.
6. Mishra.A.K. (2004), "Indian Venture capitalists (VCs) Investment Evaluation Criteria", ICFAI Journal of Applied Finance, Vol.10-No 7 Pp-71-93.
7. Pandey, I M (1998). "The Process of Developing Venture Capital in India," Technovations, Vol 18, No 4, pp 253-261.

8. Pandey, I.M. (1996). "Venture Capitalist's Evaluation Criteria in a Developing Country: A Case of India." International Journal of Development Banking, Vol. 14, No.1, January
9. Rajan, Deshmukh (2009), India Venture Capital and Private Equity 2009. Working Paper, Indian Institute of Technology Madras
10. Verma, J C (1997). Venture Capital Financing in India, New Delhi: Response Books, p 151.
11. Vinay Kumar and Mohinder N Kaura (2003), "Venture Capitalists' Screening Criteria", Vikalpa, vol.28, NO.2, pp.49-59.
12. www.VentureIntelligence.com



REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail i.e. **infoijrcm@gmail.com** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

