





**SWOC (Strengths, Weakness, Opportunities, Challenges)  
Analysis of Venture Capital Financing in India**

**Strengths:**

- ✓ Profitable business with positive cash flow
- ✓ Better and large network
- ✓ Improving innovation
- ✓ Quality in products

**Weakness**

- ✓ Better liquidity at lower interest rates
- ✓ Increase in barriers to new entrants
- ✓ Favorable government policies

**Opportunity**

- ✓ Changes in technology
- ✓ Obsolescence in technology
- ✓ Lack of planning and decision making
- ✓ Absence of good inventory control
- ✓ High cost due to inefficiency in processes

**Challenges**

- ✓ Competition
- ✓ Variations in valuation
- ✓ Macroeconomic uncertainties
- ✓ Difficulty in fund raising

**V. CONCLUSION**

Over the past few years the venture capital financing has shown a proliferating growth and has successfully helped young business with high risk and growth potential with financial stability. It has helped to bridge the gap where other sources of funds are not capable of funding ventures with high risk. When compared to venture financing in USA and China, Indian venture capital sector performance is relatively less but taking the Indian economy as whole there is substantial growth and rapid investment momentum mainly in the consumer technology sector making it one of the most attractive markets for venture capital investments. Effective research and development, better fiscal initiatives, adequate training and motivation are some major elements that will help venture capital industry become more successful and flourish in India. Government's initiative on improving the business environment also shows that there is a strong positive outlook for venture capital financing in India, ultimately improving the overall GDP of the country.

**REFERENCES**

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- [2] Ivca.in: IVCA (Indian Private Equity & Venture Capital Association)-Grant Thornton and Bain & Co report 2015 & 2016