

## Venture Capital Industry in India - Determinants of Successful Exits from Funded Companies

*Venture Capital (VC) has emerged as one of the primary conduits of funding emerging businesses in India over the past decade. Although, the number of VC-funded start-ups have grown manifold, the exits by the VC firms from these funded investee companies have lagged behind. This is a worrying trend as failure to get timely and profitable exits is likely to impact the commitment on the part of these VC firms to allocate additional funds to India in the future. This in turn, can seriously impair the growth prospects of high-tech start-up industry here which has been majorly supported by VC so far.*

*This paper delves into the factors amenable to successful exits for the VC firms investing in India. Our study, based on secondary data analysis of 72 prominent VC firms in India throws up several interesting findings. We find that investment-stage and technology focus of the VC firm are vital factors determining its exit success. Moreover, the ownership pattern of the VC firm, its investing experience and most importantly its proclivity to co-invest with other peer VC firms significantly impact the exit performance.*

**Keywords:** Venture Capital, VC, IPOs, M&As, exits



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