

**FSO303 Venture Capital and Private Equity [4 Credits]**

**Learning Objective:** *This course is designed to give awareness among the students about the various innovative approaches required to meet today's unprecedented investment challenges.*

**UNIT 1: Introduction to Private Equity (12 Hours)**

Concept of PE and its characteristics – Definition –Difference between PE, VC and Hedge Funds – Nature of PE Firm – Players in the PE market – benefits of PE finance – Venture Capital – Over view to Venture Capital – definition – features - types- roles

**UNIT 2: Legal Structure (12 Hours)**

PE Fund - Legal structure and terms - Private equity investments and financing - Private equity funds and private equity firms - Investment features and considerations

**UNIT 3: Valuation Approaches (12 Hours)**

Regulation of Venture Capital and Private Equity – Business Cycle of PE – Structure of VCPE firms – Limited liability partnerships - Routes of VCPE investments in India - Valuation approaches – risk and return – analysis of funds – conventional method – revenue multiplier method

**UNIT 4: Strategies of Private Equity (12 Hours)**

Strategies of PE – leverage Buyout – growth capital – mezzanine capital – distressed debt – other Strategies – Size and performance and economic environment of PE global context – PEPI and Fund Indices – PE in India an overview – Due Diligence – Procedure and challenges – Due diligence in emerging PE Market –investing in developing market – past performance and strategy

**UNIT 5: Exit Strategies (12 Hours)**

Modes of Exits in Indian Context and Challenges involved – IPO-Promoter Buyback – Sale to other PE Funds – Sale to other strategic Investor – Stake Swap – M&A's –open market – Secondary Market

**Suggested Readings:**

1. Chary, T. Satyanaryana, Venture Capital , Delhi Macmillan India 2005
2. Venture capital, Hyderabad The ICAI University Press 2004 . x, 165p 23 cm
3. Verma, J. Venture Capital Financing in India , New Delhi Response Books 1997
4. Pandey, I. Venture Capital:Indian experience, New Delhi Prentice-Hall of India Pvt.Ltd. 1996
5. Verma, J. Venture Capital Finanacing in India , New Delhi Response Books 1999
6. Caselli, Stefano Venture capital : A Euro-system approach , Berlin Springer Verlag 2004
7. The oxford handbook of venture capital , New York: Oxford University Press; 2012 .
8. Grenville Phillips, Venture Capital & SME Financing, Xlibris Corporation, 2011
9. Vandana Panwar, Venture capital funding 01 Edition ,Neha Publishers & Distributors,2010
10. Stephen Bloomfield, Venture Capital Funding: A practical guide to raising finance 2nd Edition, Kogan Page Limited,2009
11. Josh Lerner, Felda Hardymon, Ann Leamon,Venture Capital, Private Equity, and the Financing of Entrepreneurship, John Wiley & Sons,2009
12. R. K. Mishra, Venture Capital Financing for Biotechnology, Concept Publishing
13. Grenville Phillips, Venture Capital & SME Financing: in Less Developed Countries & Small Island States, Xlibris Corporation,2010