



## Frequently Asked Questions

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Q. What kind of investors are Venture Capitalists?

A: Venture capitalists are long term investors, either individuals or companies who provide investment capital and management expertise to new businesses. In return, they will ask for an equity position in the company, usually in proportion to their risk and the amount of their investment. They have a stake in your company because their future returns are tied to its performance.

Q: What role will the venture capitalist play?

A venture capitalist must be seen as a partner. His or her active management participation may occur through membership on the board of directors, or through input into other strategic management decisions, financial advice or human resource related areas. The venture capitalist's goal is to achieve a high return on the investment over the period of his or her involvement, which is typically four to seven years. This means that the company must follow an aggressive growth strategy with a strong emphasis on achieving multiple returns for its shareholders.

Q. What is Private Equity?

A. Private equity is an investment asset class describing private investments in privately held companies. Private equity is generally illiquid and thought of as a long-term investment having durations of 3 – 10 years. As they are not listed on an exchange, any investor wishing to sell securities in private companies must find a buyer in the absence of a marketplace. In addition, there are many transfer restrictions on private securities. Investors in private

securities generally receive their return through one of three ways: an initial public offering, a sale or merger, or a re-capitalization.

Q. How do I approach SREI Venture Capital Limited?

A. You may approach SVCL directly in any of its offices in Kolkata or/and Mumbai

Q. What are SVCL's investment criteria?

SVCL would look for

- a. Dynamic management teams
- b. Strong cash flows
- c. High growth trajectory
- d. Good value propositions and valuations

Q. Does SVCL have offices outside Kolkata or in abroad?

A. SVCL has an office in Mumbai currently.

Q. What is the investment process followed by SVCL?

The various stages would entail deal sourcing, due diligence on the project, financials, management and strategy by the management team.

Thereafter, it would go to an investment committee constituting of reputed names in the relevant industry.

Ultimately, the Board of Directors would review the portfolio companies.

Q. Does SVCL invest in listed securities?

Adhering to the venture capital norms in the country, it is only possible for SVCL to invest a part of the funds raised in listed securities. Preference would be to invest in un-listed companies which could ultimately get listed.

Q. How long does it take to receive funding?

On an average time taken to receive funding would be between 8-12 weeks.

Q. Does SVCL require board seat?

Board seat requirements would vary from case-to-case based on the amount of investment into the portfolio company.

Q. What is the average size of investments made by SVCL?

A. The average size of investments made by SVCL is between US\$ 5-100 Million.