QUESTIONNAIRE

Name of VCC/VCF:

Promoters:

1. Who are the major contributors to your venture fund? (Please tick at appropriate box)

- All India Financial Institutions
- State level Financial Institutions
- State Bank of India
- Nationalised Banks
- Private Sector Banks
- Corporate Public Sector
- Corporate Private Sector
- Insurance Companies
- Unit Trust of India
- Other Mutual Funds
- Multilateral Development Agencies
- Foreign Institutional Investors
- Non-Resident Indians
- Public

2. In what form do they contribute to the fund?

- Equity
- Loans
- Bonds/debentures
- Others

3. Do the contributors/promoters specify their expected rate of return on their contributions?

- Yes
- No

If yes, what is their expected rate of return?

- Less than 25%
- 25% to 50%
- Above 50%

4. Do they stipulate any terms and conditions for making their contributions to the fund? (Please specify)

- Yes
- No
If yes, what are the terms?

5. Do they participate in the management of your company?
   a) Yes ☐ b) No ☐

   If yes, in what form?

6. Do they also participate in the management of your assisted (Investee) company?
   a) Yes ☐ b) No ☐

   If yes, in what form?

7. Do they extend support or help in any other form?
   a) Yes ☐ b) No ☐

   If yes, how do they assist?

8. Do they monitor your investment activities?
   a) Yes ☐ b) No ☐

   If yes, how do they monitor your investment activities? (Please specify)

ABOUT THE VCC/VCFs ACTIVITIES:

9. What projects you finance?
   a) Project conforming to ☐ b) Other projects also ☐
   SEBI guide lines only ☐

10. Do you finance the projects at specific stages or at all stages? (Please specify the stage you choose to finance)
    a) Specify stage ☐ b) All stages ☐

   If (a), please specify the stages you prefer to finance.

   1 Seed capital ☐ 5 Bridge/Expansion ☐
   2 Start up ☐ 6 MBOs/MBIs ☐
   3 Second round financing ☐ 7 Turnaround ☐
   4 Mezzanine/Development ☐ 8 Above all stages ☐
11 What valuation methods do you adopt for taking investment decisions? (i.e. for determining your share of Investment)

12 Do you provide any follow on finance?
   a Yes ☐ b No ☐
If yes, in what form?
   a Additional ☐ b Debt ☐ Equity ☐

13 What are the sources of your information regarding venture capital projects? (Please tick the relevant items)
   1 Research Institutes ☐ 5 Entrepreneurs ☐
   2 Research Laboratories ☐ 6 Existing companies ☐
   3 University Research departments ☐ 7 Any other (please specify) ☐
   4 Consultants ☐

14 Do you finance independently or on consortium basis?
   a Independently ☐ b Consortium basis ☐
If, on consortium basis, what modalities do you adopt?

Is there any maximum/minimum ceiling on your investment as a percentage on total investment?
   a Yes ☐ b No ☐
If yes, please specify the limits.

15 What is your expected rate of return on your investment? (please tick at appropriate boxes in both column)

<table>
<thead>
<tr>
<th>STAGE OF INVESTMENT</th>
<th>Early Stage</th>
<th>Later State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Maximum expected return</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>2 Average expected return</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>3 Minimum expected return</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

16 What is your expected risk tolerance level? (Please tick at appropriate box)
   1 Very high ☐ 3 Moderate ☐
   2 High ☐ 4 Low ☐
17 What important factors you take into consideration for the approval of the projects? (Please indicate degree of importance for the items given below)

<table>
<thead>
<tr>
<th>ENTREPRENEUR'S Background</th>
<th>Most important</th>
<th>Least important</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Professional/Technical Qualification</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>b Past experience</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>c Family background</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>d Financial condition</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>e Track Record of past performance</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>f Managerial skill</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>g Risk taking capacity</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>h Any other items (please specify and rate them)</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENTREPRISE</th>
<th>Most important</th>
<th>Least important</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Soundness of business Plan</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>b Product Life</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>c Market Potential</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>d Growth Prospects</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>e Profitability of the product</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>f Competition</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
<tr>
<td>g Any other items (Please specify and rate them)</td>
<td>□ 4 □ 3 □ 2 □ 1</td>
<td></td>
</tr>
</tbody>
</table>

18 Please indicate in % the industry classification of your investment

<table>
<thead>
<tr>
<th>INDUSTRY CLASSIFICATION</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Information Technology, infrastructure development</td>
<td>---</td>
</tr>
<tr>
<td>b Bio technology</td>
<td>---</td>
</tr>
<tr>
<td>c Telephone and Data Communications</td>
<td>---</td>
</tr>
<tr>
<td>d Computer Hardware and system</td>
<td>---</td>
</tr>
<tr>
<td>e Computer Software and Service</td>
<td>---</td>
</tr>
</tbody>
</table>
19 For what important reasons the projects are generally rejected? List out the reasons)

1
2
3

20 Which form of financing (investments) do you prefer? (Stages, 1 – Seed Capital, 2 – Start up, 3-Second Round Financing, 4- Mezzanine/Development, 5-Bridge/Expansion, 6-MBOs/MBIs, 7-Turnaround)

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Please indicate stage of investment by writing the appropriate number in the box</th>
</tr>
</thead>
<tbody>
<tr>
<td>a   Equity</td>
<td>![ ]</td>
</tr>
<tr>
<td>b   Equity related</td>
<td>![ ]</td>
</tr>
<tr>
<td>c   Preference shares</td>
<td>![ ]</td>
</tr>
<tr>
<td>d   Debentures:</td>
<td>![ ]</td>
</tr>
<tr>
<td>NCD</td>
<td>![ ]</td>
</tr>
<tr>
<td>PCD</td>
<td>![ ]</td>
</tr>
<tr>
<td>FCD</td>
<td>![ ]</td>
</tr>
<tr>
<td>e   Conditional Loan</td>
<td>![ ]</td>
</tr>
<tr>
<td>f   Conventional Loan</td>
<td>![ ]</td>
</tr>
<tr>
<td>g   Income Notes</td>
<td>![ ]</td>
</tr>
<tr>
<td>h   Zero Interest Bonds</td>
<td>![ ]</td>
</tr>
<tr>
<td>i   Secured Premium Notes</td>
<td>![ ]</td>
</tr>
<tr>
<td>j   Deep Discount Bonds</td>
<td>![ ]</td>
</tr>
</tbody>
</table>
21 How do you describe your approach to assisted units?
   a Hands on approach  
   b Hands off approach  
   c Hands holding approach  

22 What other methods of involvement do you have with the assisted units?

23 Do you monitor the performance of the assisted units? (Please tick)
   a Yes  
   b No

   If yes, is it on
   a Continuous  
   b At Periodic intervals
   c As & when need arises

24 What methods you employ to monitor the assisted units? (Please tick the items)
   1 Personal discussion with the entrepreneur  
   2 Plant visits  
   3 Feed-back through nominee directors  
   4 Feed-back from experts  
   5 Periodic reports  
   6 Commissioned studies  
   7 Others (Specify)

25 Do you evaluate (Value) your investments (Portfolio)?
   a Yes  
   b No

   If yes, how often do you evaluate?
   a Periodically  
   b Occasionally
   c Regularly

26 What general principles do you employ for valuing the following?
   a. Equity and Equity like Investments.
   b. Debt Investments

27 What according to you are the key factors for the success of the assisted units?
28 What factors you think will turn the assisted units into sick and ultimately drive them towards closure/liquidation.

29 What are your views on the guidelines/legal requirements of the following agencies concerning VCFs?

<table>
<thead>
<tr>
<th></th>
<th>Congenial</th>
<th>Restrictive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SEBI</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Statutes</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>IVCA</td>
<td></td>
</tr>
</tbody>
</table>

30 What guidelines you consider as more restrictive?

31 What changes you would like to suggest?

32 What is your opinion on the incentives provided for the VC industry (Please tick the appropriate box)

a Satisfactory  ☐  b Unsatisfactory  ☐

If unsatisfactory, what new incentives or supportive measures do you suggest?

33 Do you plan for early exit from an investment?

a Yes  ☐  b No  ☐

If yes, what are the reasons to come out from the investment early?

a To minimise risk  ☐  b To seek alternative investments  ☐

34 Have you disinvested your stake in any of your investments?

a Yes  ☐  b No  ☐

If yes, please rate your performance in disinvestment?

a Highly Satisfactory  ☐  b Satisfactory  ☐

a Not satisfactory  ☐
35 Which of the following alternative routes of disinvestment of equity you have used before? (please tick the items).

a  Going public – The OTCE route
b  Sale of shares to the entrepreneur/employees
c  Sale of the company to another company
d  Sale to a new investor
e  Liquidation

36 What suggestions do you wish to offer for the development of venture capital industry in India?

Thank you.
QUESTIONNAIRE FOR ENTREPRENEURS

What form of business is yours?

a  Sole proprietorship  b  Partnership firm

c  Private Ltd. Company  d  Public Ltd Company

e  Others

What type of business you have promoted?

a  Industrial products/machinery

b  Computer software/hardware

c  Consumer related (durable/non-durable)

d  Medical and medical related

e  Food and food processing

f  Electronics

g  Tel. and data communication

h  Bio-technology

i  Energy related

j  Other (please specify)

Since when you have commenced business

a  Less than one year

b  One to 5 years

c  Above 5 years

What was the source of your project idea (please tick in appropriate box)

a  From a research institution

b  Personal research and experience

c  From former colleagues

d  From family members and friends

e  From consultants

f  From Government Institutions/EDP Agency

g  any other (please specify)

How do you perceive your project?

a  High return and High risk

b  Average return and Moderate risk

c  Low return and Low risk
chnologically in what category your business project can be placed?
   a  High tech-project
   b  Low tech-project
   c  Project without technology base

hat is the total project cost?
   a  Less than Rs.50   b  Rs.50 lakhs to Rs.100 lakhs
   c  Rs.100 lakhs to   d  More than Rs.300 lakhs
      Rs.300 lakhs

ther the product/service you offer is
   (a) Totally a new product/service
   (b) An existing product/service improvised with modern technology
   (c) Product existing in the market

hat stage your business has reached now?
   a  Just introduced not yet reached B.E.P.
   b  Stabilised and reached B.E.P.
   c  Improving/ scope for high growth
   d  No growth/declining
   e  Has become sick

ow did you approach the venture capital firm?
   a  Direct approach
   b  Through agent/consultant
   c  Any other (Please specify)

hen did you approach VCF for assistance?
   a  Before starting business
   b  In the first year of operation
   c  For expansion of business
   d  For overcoming business distress/sickness

ature of assistance received from VCF
   a  Finance
   b  Technical
   c  Management
   d  Marketing
   e  Feasibility studies
   f  Material supply
   g  Others
In case of Financial Assistance, what type of assistance you have received?

a  Equity support  ☐  b  Term loan  ☐

c  Debt/Bonds  ☐  d  Others  ☐

How much assistance Received?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>Rs</td>
</tr>
<tr>
<td>Debenture/bond</td>
<td>Rs</td>
</tr>
<tr>
<td>Term Loan</td>
<td>Rs</td>
</tr>
<tr>
<td>Others</td>
<td>Rs</td>
</tr>
<tr>
<td>Total assistance received</td>
<td>Rs</td>
</tr>
</tbody>
</table>

How was assistance given?

a  Lump sum in one instalment  ☐

b  In annual/fixed periodical instalments  ☐

c  Phased manner based on progress of work  ☐

How many agencies were involved in assistance?

a  Only one  ☐

b  More than one on consortium basis  ☐

Continuity of Assistance

a  One time assistance at one stage  ☐

b  Assistance continued at different stages  ☐

a. Equity position

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whether listed</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Whether Promoter's Quota contributed</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Whether VCF disinvested its shares?</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

If No, when is it likely?

b. Debt

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any security insisted?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>When did repayment commenced?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>(i) After one year</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>(ii) After three years</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>(iii) Others</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

b3 What was the Interest rate?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than market rate</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>At market rate</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>More than Market rate</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Was there any of the following conditions?

a Royalty on sales ☐ b Profit sharing ☐

c Directorship ☐ d Conversion Clause ☐

What percentage did the V.C. firm invest in your total capital?

a Less than 49% ☐ b 50% ☐

c More than 51% ☐

Did V.C. firm monitor the performance of your company?

a Yes ☐ b No ☐

If yes, please state whether it is

a Continuous basis ☐ b At periodic intervals ☐

c As and when need arises ☐

What methods V.C. firm has employed to monitor your company?

a Personal discussion with you ☐ b Plant visit ☐

c Feedback through nominee director ☐ d Feedback through experts ☐

e Periodic reports ☐ f Through Commissions and studies ☐

f Others (Please specify) ☐

How do you rate your relationship with Venture Capital Firm? (Please tick at appropriate boxes given) Strongly Agree (SA) Agree (A) Disagree (D) Strongly Disagree(SD)

<table>
<thead>
<tr>
<th>Item</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>VCF officials are enthusiastic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCF officials are sympathetic &amp; cooperative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCF officials took personal interest in my business development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>They were supportive &amp; shared my concerns/worries</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>They were indifferent &amp; disinterested in my venture</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>They tend to discourage and are unsupportive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Their terms are unattractive and penalising</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
h. I find a negative approach in their dealings
i. They acted more like money lenders and traditional bankers rather than partners in my progress
j. There is too much interference and a feeling of suffocation in their dealings
k. They have not cared for my business/services
l. They have gone out of their way to help me
m. Our relationship has grown beyond business requirements
n. Given an opportunity I would like to approach the same VCF for my future ventures
o. I strongly recommend the VCF I dealt with for other entrepreneurs
p. They are cautious and risk averse
q. Their help do not reach on time
r. There is too much of procedures/formalities/permissions/approvals
s. I enjoyed dealing/working with them

How do you describe their approach to your company?

a. Hands on approach
b. Hand off approach

c. Hands holding approach

Capacity utilised

a. Less than 50%
b. 50 – 75%
c. 75 – 100%

Total Investment at present

<table>
<thead>
<tr>
<th>Source</th>
<th>Rs.</th>
<th>Rs.</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Turnover

<table>
<thead>
<tr>
<th>Year</th>
<th>Rs.</th>
<th>Rs.</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998-99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997-98</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Profit/Loss

<table>
<thead>
<tr>
<th></th>
<th>Rs.</th>
<th>Rs.</th>
<th>Rs.</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td></td>
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<tr>
<td>1998-99</td>
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<tr>
<td>1997-98</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
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</tr>
</tbody>
</table>

No. of Employees

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factory</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PERSONAL INFORMATION

Age:

- Less than 35 [ ]
- 35-50 [ ]
- Above 50 [ ]

Qualification:

- Science Graduate [ ]
- Engineering/Diploma [ ]
- Professionally/Technically highly qualified [ ]
- Others [ ]

Whether belong to Entrepreneurial /business family:

- Yes [ ]
- No [ ]

Whether belong to:

- a. First time entrepreneur Yes [ ]
- No [ ]
- b. Entrepreneur with previous experience in related business Yes [ ]
- No [ ]
- c. Entrepreneur with previous experience in unrelated business Yes [ ]
- No [ ]

Have you settled all dues to VCF:

a. Settled completely with prompt payments Yes [ ]
- No [ ]
- b. Settled completely with occasional defaults Yes [ ]
- No [ ]
- c. Unable to settle all dues Yes [ ]
- No [ ]

Thank you.