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### **GVFL sets up Rs 50 cr biotech fund**

Gujarat Venture Finance Ltd (GVFL), a venture capital company, has announced the setting up of a Rs 50 crore biotechnology venture fund.

The 12-year close-ended state fund will invest in start-ups in areas of biopharma, agriculture biotechnology, contract research, bioinformatics, industrial biotechnology, marine biotechnology and environmental biotechnology across Gujarat.

The state has provided the initial seed capital of Rs 5 crore to the fund. GVFL will mobilise the balance fund from institutional investors such as Sidbi, UTI, banks, corporate entities and high net worth individuals as prospective investors, an official release stated today.

"The biotechnology sector provides a good business and investment opportunity. Combining all the segments together, the biotechnology sector is growing at 40 per cent per annum, with a potential to touch \$5 billion by 2010," Vishnu Varshney, CEO of GVFL, said.

The growth drivers for this sector are rich biodiversity, growing pharmaceutical industry, large pool of skilled manpower and a huge market, he added.

"If you look at investments in this sector, most of it is happening in late stage deals and that is why GVFL sees an opportunity to invest in start-ups, seed stage and early stage companies" Varshney said.

The fund will make investments in start-ups largely through equity and convertible instruments. However, debt and quasi-debt instruments may also be used on a case-to-case basis.

"We have been approached by few of the start-ups with innovative technology and we hope to finalise our first investments soon," he added.

GVFL was started by Gujarat Industrial & Investment Corporation (GIIC) at the initiative of the World Bank in July 1990.

Over the past 15 years, it has raised four venture capital funds with a combined capital of Rs 125 crore, which is invested in 56 companies across the country.