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Gujarat venture finance launches Rs 50 cr state biotech fund

Gujarat Venture Finance Ltd (GVFL), India's pioneer venture capital company, has announced the setting up of Rs 50 crore bio-technology venture fund.

The 12-year close ended state fund will invest in start-ups like bio-pharma, agriculture, bio-technology, contract research, bio-infomatics, industrial bio-technology, marine bio-technology and environmental bio-technology across gujarat.

Vishnu Varshney, CEO, GVFL said, "bio-technology sector provides a tremendous business opportunity and potential for investment. Combining all the segments together, this sector is growing at the rate of 40 per cent with a potential to touch USD five billion by 2010. The growth drivers for this sector are rich bio-diversity, growing pharmaceutical industry, large pool of skilled manpower and the huge market."

He said the Gujarat Government had provided the initial seed funding of Rs five crore for this 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.

Mr Varshney said the Gujarat bio-technology venture fund will make investments in start-up companies 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 hope to finalise our first investments soon," he added. (UNI)