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GVFL plans to set up Rs 50-cr biotech fund

India's oldest venture capital fund, GVFL, is setting up a Rs 50-crore fund to invest in biotech start-ups.

The fund has been registered with the Securities and Exchange Board of India (Sebi) and the Gujarat government is contributing Rs 5 crore for the initial corpus, GVFL managing director Vishnu Varshney said.

While GVFL has put in Rs 1 crore in the fund, a number of pharma companies, some of them based in Gujarat, are being tapped for contributions. Financial institutions and banks would also be urged to contribute, he said here.

GVFL had funded biotech ventures like Ajay Biotech, Lacto Chem and HK Finechem in the past and is bullish on strong returns from the fund, Varshney said. Several banks like Dena Bank, State Bank of Saurashtra and Andhra Bank had invested in the earlier funds floated by the company.

"We have identified some projects in Gujarat and discussions have already started. Our emphasis is on hand-holding and nurturing which enhances the value of the companies we fund," he said.

"Apart from biotech, we would also look at clinical research and contract research as these are strong growth areas," Varshney said. "We would also be interested in launch funds specialising in tourism, cottage industries and SMEs," he added