

Website:	www.indiainfoline.com
Date:	March 15, 2005

Gujarat Venture Finance sets up Rs500mn state biotech fund

Gujarat Venture Finance Ltd. (GVFL) has announced the setting up of Rs500mn 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 the state of Gujarat.

The Government of Gujarat has provided the initial seed funding of Rs 5.0 crore for this fund. GVFL Ltd. will mobilize the balance fund from Institutional investors like SIDBI, UTI, banks, corporate entities and high net worth individuals as prospective investors.

Vishnu Varshney, CEO of GVFL Ltd. commented on the total funding requirement for biotech sector in India by stating, " Biotechnology sector provides a tremendous business opportunity and potential for investment. Combining all the segments together, Biotechnology sector is growing at the rate of 40%, with a potential to touch US\$ 5 billion by 2010. The growth drivers for this sector are rich biodiversity, growing pharmaceutical industry, large pool of skilled manpower & the huge market".

"If you look at the 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 & early stage companies".

Gujarat biotechnology venture fund will make investments in start-up companies 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 hope to finalize our first investments soon" he added.