

Website:	<a href="http://www.thehindu.com">www.thehindu.com</a>
Date:	March 16, 2005

### **Gujarat Venture Finance Launches Biotech Fund**

Gujarat Venture Finance has launched a Rs. 50-crore venture capital fund to promote start-up companies in bio-pharma, agricultural, industrial, marine and environmental biotechnology, and also contract research and bioinformatics in Gujarat.

The Gujarat Government has provided an initial seed funding of Rs. 5 crores for the fund. The GVFL will mobilise the balance from institutional investors such as the Small Industries Development Bank of India, UTI, banks, corporate entities and high net worth individuals.

An official press release said it would be a 12-year close-ended fund and it would invest largely through equity and convertible instruments. Debt and quasi-debt instruments might also be considered in some cases. It would be decided on a case-to-case basis.

The GVFL had chosen to focus on start-ups even as the biotechnology sector as a whole provided a tremendous business opportunity and potential for investment. Most of the investments in the biotech sector were now taking place in late stage deals and not much was coming to start-ups.

A few start-up companies with innovative technologies had already approached GVFL for funding and their investments would be finalised soon, the release added.