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GVFL sets up Rs 50-cr biotech venture fund for Gujarat cos

GVFL Ltd (formerly known as Gujarat Venture Finance Ltd) has launched a Rs 50-crore biotechnology venture fund for Gujarat-based companies.

The 12-year closed-ended fund has received Rs 5 crore as seed capital from the Gujarat Government and GVFL will mobilise the rest from institutional investors, a company release said here on Wednesday.

The fund plans to invest in start-ups in the areas of biopharma, agriculture biotechnology, contract research, bioinformatics and industrial, marine and environment biotechnology.

It would invest in start-up companies largely in the form of equity and convertible instruments. However, it could also provide debt support on a case-by-case basis, according to GVFL Chief Executive Officer, Mr Vishnu Varshney.

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

Among the first Indian companies to start venture capital funding, GVFL was set up by the Gujarat Industrial and Investment Corporation in 1990 at the initiative of the World Bank. Since then, it has raised four venture capital funds with a combined capital of Rs 125 crore and invested in 56 companies across the country.