

GVFL- The pioneers in VC funding



Mr. Vishnu Varshney
President & CEO
Gujarat Venture Finance Ltd.

GVFL one of the premier VCFs has invested in 51 companies across India in different sectors such as Biotechnology Engineering, Auto-ancillaries, Chemicals and IT. Some of the prominent investments of GVFL in the non IT sector include HK Agrochem, Saraf Foods, Lokesh Machines and 20 Microns.

GVFL has also shown a special interest in innovative projects from IT, Media and Telecom sector. Some of these include Akshay Software, NexStor, Parsec Technologies, Deccanet Designs, Radiant Software in IT/Telecom and Technology Media Group (TMG) in the media sector.

GVFL is professionally managed by a team of 15 investment professionals with substantial experience in project appraisal and monitoring and many of whom have international exposure. GVFL works very closely with its investee companies adding value in areas such as recruitment, marketing contacts, strengthening systems and additional rounds of funding, including, IPO. Some of GVFL's investee compa-

nies like Akshay Software, Radiant Software and Lokesh Machines are in the process of going public in the near future for ideas which are in the conceptual stage, GVFL also provides incubation facilities to the entrepreneur to enable conversion of the concept into a commercial reality. *Face to face with Mr. Vishnu Varshney*

How do you assess the feasibility of an idea which an entrepreneur brings to you?

"Evaluating a proposal involves a meticulous evaluation of

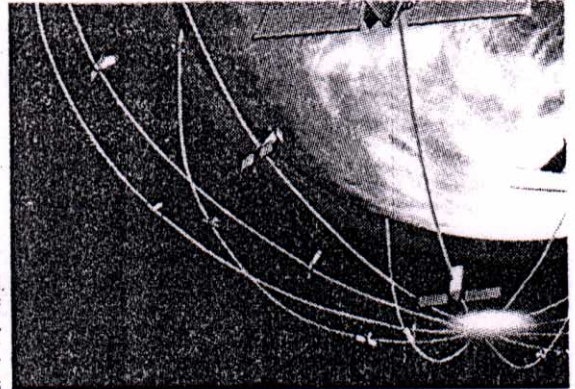
- **Promoter** - Promoter qualities (integrity, flexibility and perseverance), Track record, complimentary skill sets of team members.
- **Market** - Competitive scenario, entry barriers, growth rate and size.
- **Exit option for investor** - Either IPO or strategic sale.
- **Technology** - Replicability, scalability and adaptability.
- **Financials** - Profitability, growth rates, sustainability of margins and returns to investors."

What are the requisite qualifiers for the company that seeks investment by GVFL?

It should be an unlisted company in the manufacturing or IT sector with investment required between Rs. 1 Crore to Rs. 10 crore in equality / quasi equity, financing between 10% to 40% of paid up capital of the company, sustainable competitive edge in terms of product, process technology or market.

What is the role of GVFL in coming years?

Being one of the pioneers of Venture Capital in India, GVFL would continue nurturing enterprises in different sectors across India. We would also like to add value to our existing investments through



hands on monitoring. We are also in the process of taking some of our companies public through the IPO route.

Could you throw light on GVFL's dotcom venture fund strategy?

GVFL has funded three dotcom companies so far and would continue funding dotcom ventures with a sustainable business model, strong revenue streams and unique positioning.

What additional support do you provide to entrepreneurs?

GVFL believes in a policy of hands on monitoring, working closely with investee companies in actualizing their plans. GVFL adds value to companies by providing strategic inputs in formulating growth plans, assisting in Team building, Capital structuring and Resource mobilisation, including IPOs, implementing Strategies and streamlining systems, leveraging network of contacts for handholding and guidance and Facilitating and structuring marketing alliances for investee companies, Extensive domain knowledge of operating environment in India

How do you envision the future of the dotcom industry?

The future of dotcom ventures with sustainable business models, strong revenue streams and a good support team is extremely bright

How does IVCA play a role in the dotcom future?

Being the nodal agency for Venture Capital in India, IVCA plays a vital role in the growth of venture capital in India. It is a common platform through which the VC industry is represented in different fora including government and industry.