

eInfochips sale: GVFL nets handsome returns

TIMES NEWS NETWORK

Ahmedabad: An investment made in a right company at the right time can do wonders. And, nobody knows this better than GVFL Ltd (formerly Gujarat Venture Finance Ltd), which is widely regarded as one of the pioneers of venture capital (VC) in India. In a recent deal valued at around Rs 1,800 crore, a GVFL investee company — eInfochips — was sold to US-based \$24 billion Arrow Electronics Inc unlocking handsome returns to the Ahmedabad-based VC firm and its investors.

The acquisition included the entire stake — close to 5% — held by GVFL in eInfochips, which is a product engineering and software R&D company from Ahmedabad with 60% of its revenues coming from Fortune 500 companies in the world.

“GVFL has realised over Rs 100 crore on its exit from

EARLY-STAGE INVESTMENT

VC firm GVFL had invested ₹13.5cr in eInfochips and realised over ₹100cr on its exit, yielding a return of 7.4 times its investment



eInfochips, in which it had invested around Rs 13.5 crore over a period of time,” said people privy to the development. The VC firm’s exit yielded a return of 7.4 times of its investment.

GVFL was an early and only venture capital investor in eInfochips and supported the company throughout its

six-fold growth from the year 2008 when GVFL SME Technology Fund made an investment in the company.

“With this exit, we have returned substantial value to our investors. We continue to focus on such opportunities from our latest 8th fund, GVFL Startup Fund that is focused on innovative entrepreneurs,” Sanjay Randhar, managing director, GVFL Ltd said when contacted.

“More than 80% of eInfochips employees were based out of Ahmedabad. The investee company made a significant impact in IT and startup ecosystem of Gujarat with as many as 17 start-ups founded by its ex-employees and over 5,000 young engineers trained so far,” he added.

Founded in 1990 at the initiative of the World Bank, GVFL has raised eight venture capital funds which have supported over 85 companies over the past two decades.