

Gujarat VC's ₹1,000-cr fund ropes in foreign investors

GVFL also has plans to float a tech fund after the general elections

ABHIJIT LELE

Mumbai, 29 January

After raising money at home, Gujarat Venture Finance Ltd (GVFL) has received commitments from investors in Hong Kong and Singapore for its ₹1,000-crore Golden Gujarat Growth Fund (GGGF).

The fund has received commitments to the tune of ₹400 crore from domestic investors including Life Insurance Corporation of India, IFCI, the Gujarat government and some public-sector banks. Flagged off in April 2013, GVFL is targeting to close GGGF by September 2013. "As a strategy, we wanted to first raise funds from domestic investors and make a few investments before approaching investors abroad. The fund has made four investments," said Harish Pattnaik, managing director of GVFL.

He added investors have been showing interest. However, with the overall economic slowdown, regulatory and tax issues and, most importantly, the impending general elections, investors are in a wait-n-watch mode, he noted.

The fund has already received in-principle commitments from investors in Singapore and Hong Kong. Pattnaik said more commitments would come after the elections. Other than Singapore and Hong Kong, GVFL is in talks with investors in Japan



INVESTMENTS OF GOLDEN GUJARAT GROWTH FUND TILL DATE

Company	Project	Amount
SITAC RE	Wind farm, Rajkot	₹40 cr
Ushdev Power Holdings	Wind farm, Chennai	₹40 cr
Huhtown	Bus terminal, Ahmedabad, Surat	₹35 cr
Ratnakar Estate Developer	Industrial park, Delhi-Mumbai industrial corridor	₹40 cr



Harish Pattnaik, MD, GVFL

and the US.

The fund has made four investments of ₹30-40 crore each in the fields of alternative energy and clean technology. It has invested in two wind power units. GVFL is also looking to invest in infrastructure and allied sectors such as industrial parks and urban projects. It has put in money in an industrial park in Vadodara and a bus stand-cum-commercial complex project in Gujarat.

Sharing his future plans, Pattnaik said: "We are currently working to close GGGF-I. After elections, we will launch an overseas fund with mandate similar to our SME Technology Fund." GVFL is planning to expand geographically and may look to set up office in Delhi or Mumbai.

GVFL is one of the oldest venture capital funds started in 1990. So far, it has managed six funds and has divested from three of them. Amongst the existing funds managed by GVFL, its bio-technology fund is actively pursuing investment opportunities and in some cases, series-B, series-C investments in the investee firms.

The SME Technology Fund is in exit mode and is looking for secondary investments. Renowned private equity/venture capital funds and strategic investors are in discussion with GVFL for secondary sale and growth capital for the companies.

Former Mumbai Angels' chief launching \$25-mn fund



Anil Joshi

Anil Joshi, who headed Mumbai Angels network, is mulling to raise \$25 million for a new fund

which would make pre-Series-A investments in technology-based startups. Joshi's fund will invest in 15-20 companies with the investment size in the \$300,000 to \$2 million range.

Joshi had joined Mumbai Angels as a vice-president in July 2010 and took care of deal sourcing and due diligence. In January 2012, he became the president of the angel investors network. He was also involved with Bangalore Angels. Joshi's proposed fund would seek to bridge the funding gap faced by startups after raising angel or seed round and before getting VC firms to shell out more money in a Series-A round. Although most VC firms invest first in a Series-A round, over the last two to three years a bunch of angel and seed funds have emerged, who back startups with small token of institutional funding.

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