

Sidbi to float VC fund for small and medium firms

India Opportunities Fund-series I to have initial corpus of ₹600 cr

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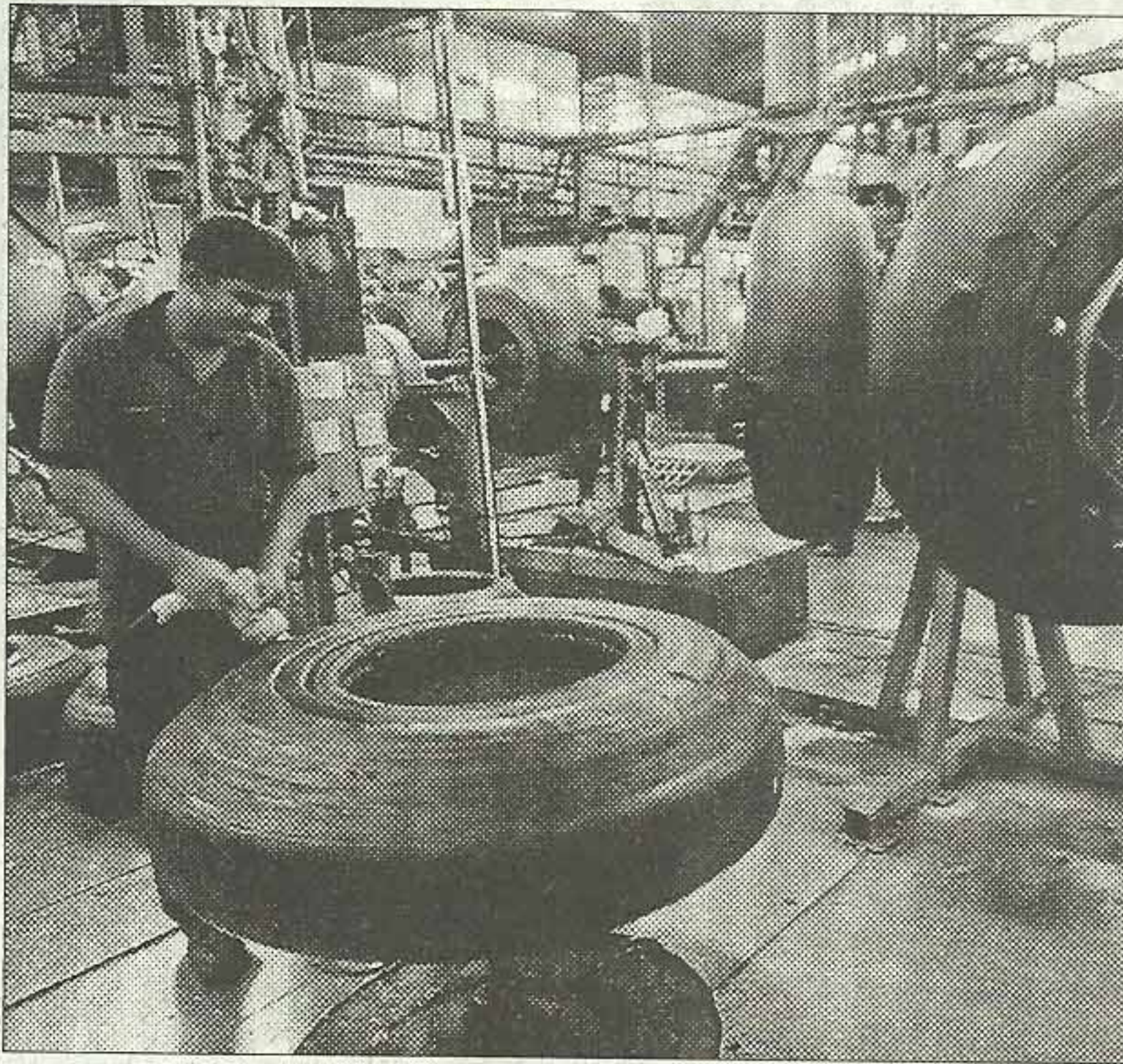
New Delhi

SIDBI Venture Capital, a wholly owned subsidiary of Small Industries Development Bank of India (Sidbi) will shortly float Rs 600 crore fund for micro, small and medium enterprises (MSMEs). The fund, called India Opportunities Fund-series I, will have Rs 180 crore from Sidbi and the rest will be raised from domestic market.

"We already have got commitment to raise the balance Rs 420 crore from public sector banks and insurance companies. We will launch the fund within a month or so. This fund will not focus on any one particular sector but will work for MSMEs as whole," said Sushil Muhot, chairman and managing director of Sidbi.

Sidbi facilitates promotion, financing and development of industries in the micro, small & medium enterprises.

In this year's budget, finance minister Pranab Mukherjee had proposed



FINANCIAL AID: The fund will not focus on any one particular sector but will work for MSMEs as whole, MD of Sidbi said

setting up a venture capital fund with corpus of Rs 5,000 crore. This corpus will come to Sidbi to be spent within a span of four years and will act like fund of funds. India Opportunities Fund-series I was the first fund to be floated by Sidbi. In the current financial year, Sidbi aims to spend about Rs 1,000 crore.

Sidbi is looking at least

15 per cent returns from its venture capital fund. Sidbi is also looking at raising Rs 18,000 - Rs 20,000 crore in the current financial year as a part of resource mobilisation. This is against Rs 16,000 in 2011-12 to meet its funding requirements.

Recently, Sidbi has announced plans to partner with West Bengal-based Glocal Healthcare Systems

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to set up corporate hospitals in rural areas through the Public Private Partnership (PPP). The hospitals deal with primary and secondary care services ranging from Rs 100 to Rs 9,000 for tests, OPD consultancy as well as medical treatment, among others.

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