

Goyal urges Venture Funds to focus on Startups from Tier 2 & 3 cities

By TIOL News Service

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Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Piyush Goyal, has called upon the Global Venture Capital (VC) Funds to focus more on Startups from Tier 2 and 3 cities. Chairing the 4th Roundtable with Global Venture Capital Funds, organised by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Goyal invited the VCs to explore new sectors for investing, promote and protect the intellectual property created by the young Indian entrepreneurs, provide expertise to scale-up and explore greater capital infusion including risk capital. The Government has already taken a number of steps to support the Startups and would do so in the future also, he added.

It was pointed out in the meeting that India is home to over 61,000 recognised Startups spread across 55 industries, with 45% of them emerging from Tier 2 and 3 cities and 45% of Startups having at least one Woman Director, a testimony of diversity, spread and inclusivity of the Indian Startup ecosystem. It was also highlighted that specifically for Startup ecosystem, 49 regulatory reforms have been undertaken by the Government to enhance Ease Of Doing Business, Ease Of Raising Capital and Reduce Compliance Burden.

The Roundtable was held through video conference as part of the Startup India Innovation Week. Over 75 VC fund investors from across the United States, Japan, Korea, Singapore, and some Global Funds domiciled in India participated in the deliberations. These funds have a total Assets Under Management (AUM) of more than USD 30 billion in the Indian Region. A number of suggestions were made by the Global VC funds, which they felt could further the investors' sentiment in the sector.

The intent of this roundtable was to share progress report of the current Indian Startup-VC Ecosystem, insights on impact investing, India's global outlook and the opportunities and interventions for the way ahead of VC investments in India.

The roundtable discussion covered topics like Building for the World from India, An Impact, SDG and Digital India Outlook, Regulatory updates for Global and Domestic Funds, India Opportunity - How policies have shaped up the Ecosystem and Way Forward and Vision for India @ 2047. The session also covered the top regulatory issues to be addressed with the Government of India.

The meeting was attended by Anurag Jain, Secretary, DPIIT and major Indian regulators, policymakers, along with Global VC Funds.

DPIIT is organizing Startup India Innovation Week from 10 th to 16 th January 2022. In the context of 'Azadi ka Amrit Mahotsav', this virtual innovation celebration is designed to showcase the spread and depth of entrepreneurship across India. The programme is bringing together top policy makers, industry, academia, investors, Startups and all ecosystem enablers from across the globe.