

**SPEECH BY THE PRESIDENT OF INDIA, SHRI PRANAB  
MUKHERJEE AT THE CONCLUDING SESSION OF  
PITCH@RASHTRAPATI BHAVAN DURING FOIN 2017**

**Rashtrapati Bhavan Cultural Centre (RBCC): March 7, 2017**

1. I am happy to join you for this concluding session of Pitch@RB and address entrepreneurs, investors, industry members, start-ups and other enablers of the start-up eco-system. It gives me pleasure to see this conglomeration of young and innovative minds, who may not be very experienced yet, but have the drive to succeed.

2. Pitch@RB is a unique programme which has been organized by Rashtrapati Bhavan in partnership with CII. Let me thank CII for the same. Pitch@RB provides a platform to innovators and potential start-ups to sell their ideas to select members of the angel investing and venture capital community for funding. I am told that the first session saw healthy interaction between the innovators and investors leading to the agreement for funding of some start-ups. In this context, let me compliment the entities who have signed or exchanged documents at this forum for starting entrepreneurship ventures.

3. As explained by Secretary to the President earlier, the Pitch@RB session fits well into the overall objective of the Festival of Innovation, which is to build linkages between the key actors of the innovation value chain – innovators, entrepreneurs and financiers. I, therefore, wish to thank you all for your valuable contribution to this Festival.

Ladies and gentlemen:

4. Historically speaking, India has been a centre of trade and commerce, and of indigenous production. It has been the land of opportunity to generations of foreign mercantilists. It has supported the Industrial Revolution that changed the economic landscape of Europe. Our business minds and business ambassadors have been able to draw attention of the world over centuries for their remarkable capability to perceive economic opportunities; for their resilience to pursue them, and for delivering world-class products and services to different industries and geographies.

5. While celebrating the achievers of the past, it is also pertinent that we adopt a focused strategy to support the new, talented, curious and creative minds for pursuing innovative solutions to present-day challenges. Entrepreneurship coupled with the zeal to solve contemporary challenges, through innovative ideas and solutions, is one of the key pathways leading to socio-economic progress.

6. We need to provide a facilitative environment to our youth to give wings to their imagination and take forward new ideas. That would mean support, in fine-tuning of ideas, company registration, easy access to funding, or finding a mentor. To achieve this, the government introduced the National Policy for Skills Development and Entrepreneurship in 2015. Its vision is to (if I may quote): *“create an ecosystem of empowerment by skilling on a large scale, at speed with high standards, and to promote a culture of innovation based entrepreneurship, which can generate wealth and employment, so as to ensure sustainable livelihoods for all citizens in the country”* (unquote).

Ladies and gentlemen:

7. A dynamic and robust entrepreneurial eco-system is an asset to every economy. Specifically, innovation-led entrepreneurship has significant potential to stimulate industrial growth. Entrepreneurs, as the key drivers of industry and business, bring together the factors of production including labour and capital, channelize economic activity, and generate employment. Due to their foresight and risk-taking ability, new and innovative products and services are introduced into the market. Often, an innovative product is brought into the market platform through a start-up.

8. In India, we have a large eco-system of 4,500 start-ups – the third largest in the world. Even then, it is not easy to start a new venture in India. Access to funding and mentorship remains a hurdle. In key parameters such as ease of doing business and R&D investment, there is scope for much improvement. To achieve centre-stage in innovation, we need to work relentlessly in aspects such as creation of a favourable business atmosphere; improving the quality of education and skills training; and expanding the IT infrastructure including high speed internet connectivity. Our policies like *Start-up India* and Atal Innovation Mission are geared to support the start-up environment. The public and private sectors both have to play a catalytic role in further developing such an eco-system.

Ladies and gentlemen:

9. The investor community – the angel investors and venture capitalists – has a crucial role to play in the transformation of innovative ideas into successful business models. Every start-up may not turn successful. Studies have indicated that ninety percent of new ventures that don't attract investors fail within three years. Investors prefer a proven business model before investing and scaling it up. Innovation-based projects have uncertain outcomes. Their returns are often skewed as they have to confront the “valley of death”. It is that early phase comprising the ‘seed’ and ‘start-up’ stages in which: (i) a novel idea or a concept is developed; (ii) its technical feasibility, market potential and economic viability are determined; (iii) a product prototype is designed; and (iv) a formal business organization is established. These early stage activities involve sunk costs resulting in negative cash flows for the new firm.

10. Investors are often shy to fund innovation start-ups as they are not sure of their success. But one must understand that even though nine out of ten ventures that an investor may fund, may fail; still, the one venture that will succeed, will make good the loss incurred on the rest. Such are the rules of the game. Our investors must have an eye for sifting the good ideas from the ordinary ones. They must have the risk taking ability and appetite to nurture innovative ideas into successful products and services. I am sure the investment community is up to the task to match the ingenuity and enterprise of our young innovators.

Ladies and gentlemen:

11. Remember these words of the famous management *guru* Late Peter Drucker (which I now quote): “*In every success story, you will find someone who has made a courageous decision*” (unquote). I want each one of you to be courageous; to look forward; venture out; and make your own success story. Let us all contribute to the spirit of creativity through our determination, positive attitude and hard work. This will be in consonance with the true spirit of this nation. Wishing you Godspeed in your endeavours!

Thank you.  
Jai Hind.

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