

## A REPORT

# Regional IOD MSME Summit 2019

Theme: "Decoding MSME Growth Opportunities"

October 16, 2019, Mumbai

**M** SME is the biggest growth engine and huge source of employment as envisaged by the **Hon'ble Prime Minister Mr. Narendra Modi** in his '5 Trillion Dollar plan' for India's economy.

Institute of Directors (IOD) appreciates the responsibility given by the **Ministry of MSME** to promote the cause of MSME Growth across the country. MSME Division of IOD organizes various seminars, conferences and summits to mobilize MSMEs and its members to promote their participation in the growth of MSME in India.

The first IOD MSME Summit 2019 on "**Decoding MSME Growth Opportunities**" was organized in partnership with SDA Bocconi Asia Centre, Mumbai.

The full day event was duly graced by the Chief Guest **His Excellency Mr. Bhagat Singh Koshiyari**, Hon'ble Governor of Maharashtra by lighting the lamp along with **Mr. Shailesh Haribhakti**, Chairman - Western Region, IOD, **Mr. A. R. Gokhe**, Director, MSME-DI, Mumbai, **Mr. Alessandro Giuliani**, Managing Director, SDA Bocconi Asia Center and **Mr. David Bardolet**, Dean, SDA Bocconi Asia Center, Professor of Strategy & Entrepreneurship. Nearly 175 delegates including eminent speakers and officials from Ministry of MSME

attended the event.

**Mr. Vikesh Wallia**, Regional Director - Western Region, IOD welcomed the Honorable Governor and other dignitaries.

**Mr. Giuliani**, in his welcome note said how SDA Bocconi Milan (parent university of SDA Bocconi Asia Center, Mumbai) is closely associated with MSME's for over 120 years. He said, "The economic structure of both India and Italy are heavily dependent on MSME's as more than 90% of the GDP of both nations come from MSME sectors.

**Mr. Bardolet**, in his Special Address elaborated on various strategic perspectives implemented by enterprises. He emphasized on the use of digital technology to improve operations, apt value propositions and customer-orientation for enterprise success.

**Mr. Haribhakti**, in his Theme Address shared his thoughts on opportunities in MSME Sector particularly in the Western Region. He discussed upon growth opportunities and how these can be translated in to success stories.

**Mr. Gokhe**, in his Special Address shared the Government of India initiatives to promote the MSME Sector and explained various Government Schemes which will help the MSME Industry.



From L to R - **Mr. Vikesh Wallia**, Regional Director - Western Region, IOD, **Mr. Alessandro Giuliani**, Managing Director, SDA Bocconi Asia Center, **Mr. David Bardolet**, Dean, SDA Bocconi Asia Center, Professor of Strategy & Entrepreneurship, **His Excellency Mr. Bhagat Singh Koshiyari**, Hon'ble Governor of Maharashtra, **Mr. Shailesh Haribhakti**, Chairman - Western Region, IOD and **Mr. A. R. Gokhe**, Director, MSME - DI, Mumbai



**His Excellency Mr. Bhagat Singh Koshyari**  
Hon'ble Governor of Maharashtra



**Mr. A. R. Gokhe**  
Director, MSME - DI, Mumbai



**Mr. Alessandro Giuliani,**  
Managing Director, SDA Bocconi Asia Center



**Mr. David Bardolet**  
Dean, SDA Bocconi Asia Center  
Professor of Strategy & Entrepreneurship



**Mr. Shallesh Haribhakti**  
Chairman - Western Region, IOD

## Inaugural Session - MSME Growth & Global Learning

### Plenary Session 1- Fund Raising Opportunities thru Capital Markets for MSME Growth



From L to R - **Mr. Rajesh Kumar**, Chief Executive Officer, SIDBI Venture Capital Limited, **Mr. Ajay Thakur**, Head - SME & Start-up Exchange, BSE Limited, **Mr. Nagaraj Garla**, Managing Director & Chief Executive Officer, IDBI Capital Markets & Securities Limited, **Mr. S. Kalyanram**, General Manager - SME, State Bank of India, **Mr. S. K. V. Srinivasan**, Ex Executive Director, IDBI Bank Limited and **Mr. Ashish Sable**, Senior Vice President, SBI Capital Markets Limited

**His Excellency Mr. Bhagat Singh Koshyari**, in his Keynote Address shared his personal experiences of developments in far flung areas. He encouraged the audience citing the growing charm of startups and other new opportunities in the economic sphere. He urged the participants to come up with constructive inputs to set MSME's back on track and kick start a new era of growth. Hon'ble Governor also highlighted the need for good governance in running MSME diligently.

The Summit was organized in four plenary discussions, with high profile speakers on key themes for MSME Growth Opportunities.

#### **Plenary Session I: 'Fund Raising Opportunities through Capital Markets for MSME Growth'**

The Session was Chaired by **Mr. Nagaraj Garla**, Managing Director & Chief Executive Officer, IDBI Capital Markets & Securities Limited.

The other Speakers were:

**Mr. Ajay Thakur**

Head - SME & Start-up Exchange, BSE Limited,

**Mr. Ashish Sable**

Senior Vice President, SBI Capital Markets Limited,

**Mr. S. K. V. Srinivasan**

Ex Executive Director, IDBI Bank Limited,

**Mr. S. Kalyanram**

General Manager - SME, State Bank of India and

**Mr. Rajesh Kumar**

Chief Executive Officer, SIDBI Venture Capital Limited.

**Mr. Garla** started the session by giving classification of MSME's in India and the major sources of funds they operate on i.e. Debt and Equity. He told that the institutions lending to MSME's in India are regulated by the RBI and include commercial banks and NBFCs. He then elaborated upon equity as a potential and most widespread source of funding used by the MSME's. Talking about emerging modes of finance and key challenges faced by such modes he then left the floor open for the panelists to talk upon various lending methods for MSMEs in India.

**Mr. Thakur** said "MSME contributed approximately 29% of India's GDP in the last three years employing over 450 million people. The total credit exposure to MSMEs grew to Rs 25.2 lakh crore in FY 18, from Rs 10.4 lakh crore in FY 13 at a solid CAGR of 19.6% whereas the total addressable demand for external credit is estimated to be Rs. 37 trillion while the overall supply of finance from formal sources is estimated to be Rs.14.5 trillion." He explained the concept of Startup and MSME Exchange in BSE. He concluded by sharing steps taken by BSE in easing listing for MSMEs, to attract public funds directly.

**Mr. Sable** commented the concept of corporate life cycle in Financial Markets and the changing requirement of financial resources by SME's across various phases of the cycle. He told that each fund has its own opportunity evaluation criteria and risk assessment mechanism and understanding that are extremely important by the borrowers and the lenders. He then gave an overview of the debt capital market overview- which is considered a risk-free investment unlike equity.

**Mr. Srinivasan** said that though there is consistent growth in MSME

loan CAGR growth of 19.3% over the last five years by Private Banks and NBFCs, the rate of growth declined last year without impacting absolute value growth. He welcomed MSMEs for bank and NBFC loans.

**Mr. Kalyanram** elaborated the widespread presence of SBI in the MSME lending market in India. Being the largest and the pioneer of SME lending in India, SBI holds an MSE portfolio of over 1.9 lakhs crore mostly through working capital and Term loans. Not just conventional lending, SBI has also emerged as a leader in the field of Supply Chain Financing, E-Mudra and contactless Lending.

**Mr. Kumar** shared the perspectives of funding through SIDBI Venture.

#### **Plenary Session II: 'Critical Role of Supply Chain in MSME Growth'**

The Session was Chaired by **Mr. R. K. Mehra**, President, Bulk MRO Industrial Supply (Ex. Executive Director, Bharat Petroleum Corporation Limited).

The other Speakers were:

**Mr. Pramod Sant**

Vice President, Siemens Limited,

**Mr. Soumil Mehta**

Country Manager, Kraft Heinz India Private Limited,

**Mr. Pradeep Saha**

Senior Partner, Ray & Ray & Former Director, Colgate India and

**Mr. Rajesh Mehta**

Chief Customer Satisfaction Officer & Executive Director, Liladhar Pasoo Group.

**Mr. Mehra** shared his experiences and highlighted importance of SCM in both PSU and startup organization.

**Mr. Sant** focused on the criticality of Import and Export Industry and asked 'Whether our SME's are geared up to handle all the compliances from a global perspective?' He defined the five major agendas that need to be looked upon in order to optimize the supply chain operations - Changes in business, Customs-changes, Customs broker selection, Digitization and KPI & Analytics.

**Mr. Mehta** shared an excellent presentation on various models of Supply Chain with his insights from large MNCs to his present small MNC! His presentation brought interesting insights.

**Mr. Saha** spoke about the competitive and financial pressures that companies are facing in current times. Factors such as slowing revenue growth, limited opportunities for expansion, increasing pressure on cost structure, growing competition, decreasing product lifecycles are demanding customers. He suggested that organizations should benchmark and optimize their supply chain while focusing on customer satisfaction in order to redress the problems.

**Mr. Mehta** had very interesting stories to share from his 100 years old company which is in the business of Logistics and operating out of many countries apart from India. He highlighted on how right Logistics partner can help MSMEs grow faster.

#### **Plenary Session III: 'Transformative Technology Driven MSME Growth'**

## Plenary Session 2-Critical Role of Supply Chain in MSME Growth



From L to R - **Mr. Vikesh Wallia**, Regional Director - Western Region, IOD, **Mr. Saumil Mehta**, Country Manager, Kraft Heinz India Private Limited, **Mr. Pradip Saha**, Senior Partner, Ray & Ray & Former Director, Colgate India, **Mr. R. K. Mehra**, President, Bulk MRO Industrial Supply (Ex. Executive Director, Bharat Petroleum Corporation Limited), **Mr. Rajesh Mehta**, Chief Customer Satisfaction Officer & Executive Director, Lildhar Pasoo Group, **Mr. Shailesh Haribhakti**, Chairman - Western Region, IOD and **Mr. Pramod Sant**, Vice President, Siemens Limited

## Plenary Session 3-Transformative Technology Driven MSME Growth



From L to R - **Mr. Arun Kulkarni**, Chairman & Director, Legasis Services Private Limited, **Mr. Vikesh Wallia**, Regional Director - Western Region, IOD, **Mr. Alessandro Giuliani**, Managing Director, SDA Bocconi Asia Center, **Mr. Sanjib Sanghi**, CA & Digital Transformation Evangelist, **Mr. Sachin Kulkarni**, Managing Partner, IBM Global Business Services, **Ms. Namrita Mahindro**, Lead - Technology Transformation, Mahindra & Mahindra Group, **Mr. Ganesh Ramachandran**, Vice President & CIO IT, Alkem Laboratories Limited, **Mr. Arvind Prabhu**, Director, RaceNext Information Solutions Private Limited, **Mr. Shailesh Haribhakti**, Chairman - Western Region, IOD and **Mr. David Bardolet**, Dean, SDA Bocconi Asia Center, Professor of Strategy & Entrepreneurship

## Plenary Session 4-Regulatory Support for MSME Growth



From L to R - **Mr. Vikesh Wallia**, Regional Director - Western Region, IOD, **Mr. A. R. Gokhe**, Director, MSME-DI, Mumbai, **Mr. Shiju Veetil**, Partner, IndiaLaw LLP, **Mr. Suhas Tuljapurkar**, Managing Partner, Legasis Partners, and Founder Director, Legasis Services Private Limited, **Mr. Nagesh Pinge**, Independent Director on Multiple Boards, **Mr. Mukesh Chand**, Deputy General Manager, NCLT, MSME Division, State Bank of India, and **Mr. Alessandro Giuliani**, Managing Director, SDA Bocconi Asia Center

The Session was Chaired by **Ms. Namrita Mahindro**, Lead - Technology Transformation, Mahindra & Mahindra Group.

The other Speakers were:

**Mr. Sachin Kulkarni**

Managing Partner, IBM Global Business Services,

**Mr. Sanjib Sanghi**

CA & Digital Transformation Evangelist,

**Mr. Ganesh Ram**

Vice President & CIO IT, Alkem Laboratories Limited and

**Mr. Arvind Prabhu**

Director, RaceNext Information Solutions Private Limited.

**Ms. Mahindro** emphasized on the crucial role played by emerging technologies like Artificial Intelligence and Big Data Analytics in shaping up the MSME space in India. She also quoted her experiences at Mahindra & Mahindra Group about the drastic changes which were brought in manufacturing and supply chain

management logistics with the aid of data mining and optimization.

**Mr. Kulkarni** shared his experience from local/ global MSME and large companies in the context of MSMEs and how technology is helping them grow faster.

**Mr. Sanghi** shared interesting stories on Digital Transformations helping MSMEs.

**Mr. Ram** spoke on data analytics and data mining. He steered the conversation to challenges faced by organizations i.e. 'Inculcating data mining to segregate useful and not so useful data'. He said analyzing historical data helps in identifying consumer patterns.

**Mr. Prabhu**, an expert on Emerging Technologies, 3D printing and Blockchain shared a live experience from his newly launched company Olovy, and how it can be used for tech transformations in MSMEs.

**Plenary Session IV: 'Regulatory Support for MSME Growth'**

The Session was Chaired by **Mr. Suhas Tuljapurkar**, Managing Partner, Legasis Partners, and Founder Director, Legasis Services Private Limited.

The other Speakers were:

**Mr. A. R. Gokhe**

Director, MSME-DI, Mumbai,

**Mr. Nagesh Pinge**

Independent Director on Multiple Boards,

**Mr. Shiju Veetil**

Partner, IndiaLaw LLP,

**Audience Interaction**



**View of the Audience**



**Mr. Mukesh Chand**

Deputy General Manager - NCLT, MSME Division, State Bank of India.

**Mr. Tuljapurkar** shared how regulatory supports in Ease of Doing Business for MSMEs, and how compliance streamlines their operations.

**Mr. Gokhe** commented that Ease of Doing Business in India is made extremely simple through Govt's Udyog website. He highlighted that it is important to define your area of activity as there are mandatory compliances for SME's to follow, failing which attracts penalty.

**Mr. Pinge** stated 2018 as a challenging year for MSMEs in India. He asked, 'Albeit govt. regulations have streamlined the MSME sector but are we ready for such regulations?' Given the outmoded infrastructure and poor financing options for MSMEs, the audience contemplated on regulatory implications faced by SMEs.

**Mr. Veetil** spoke on Insolvency and Bankruptcy Code, and how it is an opportunity area for MSMEs.

**Mr. Chand** explained about restructuring of assets process for greater efficiency of MSMEs.

Participants praised the agenda, and the smooth flow of events. **Mr. Avinash Dalal**, Chairman, All India MSME Association appreciated IOD's efforts for bringing quality and governance in MSMEs.

In his Closing remarks, **Mr. Vikesh Wallia**, Regional Director - Western Region, IOD thanked all the participants and supporting partners IndiaLaw, RaceNext, FICCI Flo and MSME-DI and particularly SDA Bocconi for excellent hospitality and arrangements.

Compiled by:

**Mr. Vikesh Wallia**

Regional Director - Western Region  
Institute of Directors



In Association with



Knowledge Partner



Supporting Partners

