

“ PROMOTING ENTREPRENEURSHIP AND SUPPORTING MSMEs:

Tamil Nadu Towards Achieving \$1 Trillion Economy by 2030”



Saturday
July 22, 2023



GRT Grand, T. Nagar
Chennai

The **Institute of Directors**, Chennai Region organised the '**MSME Regional Summit**' on **July 22, 2023**, at the Hotel GRT Grand, Chennai, Tamil Nadu. The theme of the Summit was '**Promoting Entrepreneurship and Supporting MSMEs: Tamil Nadu towards achieving a \$1 Trillion Economy by 2030**'. The event witnessed around 150 business participants' comprising Government officials, business leaders, board members, directors, industry and board experts, policymakers, educators, and so on. The programme started with the lighting of the lamp and the rendition of the Tamil *Thai Vazhthu* (State Song of Puducherry).

Plenary Session I – Inaugural Session

The '**Welcome Address**' was delivered by:

Dr. Sundari Suresh

Regional Manager

Institute of Directors, Chennai Region

Dr. Suresh greeted all dignitaries, attendees, speakers, and important partners in attendance. She stated the Summit Theme, '**Promoting Entrepreneurship and Supporting MSMEs: Tamil Nadu towards achieving \$1 trillion economy by 2030**', which

was based on a declaration made by Tamil Nadu Chief Minister **M. K. Stalin**, "We want Tamil Nadu to be one of the best states in South Asia." She said that our government's goal is for Tamil Nadu to become a USD 1 trillion economy." She stated that the Chief Minister has made a very realistic and deliberate pronouncement, and the aim may be attained by aggressive steps implemented by the administration under his leadership. The industry has rallied its support for the government in order to ensure that the Chief Minister's aim is met.

The '**Special Address**' was delivered by:

1. Mr. Ravindran A. L.

Regional Head

Small Industries Development Bank of India (SIDBI),
Chennai

2. Ms. Vallery Rath

Chief General Manager

Secretary to Board, Indian Bank

Mr. Ravindran spoke on the topic '**Propelling MSMEs towards Success**'. He explained how SIDBI is playing a key role in supporting MSMEs as Growth engines for our economy,



Distinguished guests after the Ceremonial **Lighting of the Lamp**
(L to R) **Dr. Sundari Suresh**, **Mr. Anand Chari**, **Mr. Rajat Baid**, **Ms. Vallery Rath**
and **Ms. S. Madumathi, IAS**



Dr. Sundari Suresh felicitating the distinguished guests
(L to R) **Mr. Ravindran A. L.**, **Ms. Vallery Rath**, **Ms. S. Madumathi, IAS** and
Dr. Sundari Suresh



Mr. Ravindran A. L.

Regional Head
Small Industries Development Bank of India
(SIDBI), Chennai
delivering the '**Special Address**'



Ms. Vallery Rath

Chief General Manager
Secretary to Board, Indian Bank
delivering the '**Special Address**'



Ms. S. Madumathi, IAS

Managing Director
Tamil Nadu Small Industries Development
Corporation Limited (TANSIDCO)
delivering the '**Keynote Address**'

enabling Tamil Nadu to achieve a \$1 Trillion economy by 2030. SIDBI has developed an institutional mechanism for the holistic development of the MSME sector through eight subsidiaries and associates. SIDBI, as an "enabler," has several Schemes to support: Refinance to banks, NBFC support, Microfinance institution support, Cluster development scheme, Direct Finance, Fund of Funds for startups, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTSME), and Trade Receivables Discounting System (TReDS) platform. Rs. 1,90,298 crores is projected as outstanding for Tamil Nadu MSMEs. Loans up to Rs. 1 Crore are sanctioned online in a few hours. Under CGTSME, loans up to Rs. 5 Crore can also be made collateral-free. 11 Branches have lent Rs. 3000 crores directly to 1500 MSMEs. Several MoUs have been signed with the Government of Tamil Nadu for aggressively supporting MSMEs. Udyamimitra Portal is a virtual market place that endeavours to provide end-to-end solutions not only for credit delivery but also for a host of Credit-plus services from the Government of India.

Ms. Rath spoke on the topic '**Role of Banks in supporting MSME's Beyond Lending**'. He highlighted the MSME sector's contribution of 33% to Industry, 54% to services, and 3% to agriculture, towards the Gross State Domestic Product (GSDP) of Tamil Nadu. EVs, SaaS, and Fintech are the Sunrise Sectors in Tamil Nadu with Leather, Engineering, Automotive, Garments, Pumps, and Castings as major Industries to support. Both Tamil Nadu and the Government of India have several schemes to support MSMEs. Prime Minister Mudra Yojna, Make in India,

Start-up India, Production-Linked Incentives, Atamanirbhar Bharat Package, UDYAM Platform, One District, One Product Scheme, and Open Network for Digital Commerce are some of the Central Government programmes. Outstanding credit to MSMEs increased by 25.36% Y-o-Y to Rs. 44,079.39 crore as of March 31, 2023. The MSME portfolio of Indian Bank is around Rs 80,000 crore as of March 31, 2023, and 23 lakh MSME customers have been extended credit facilities. The Indian Bank has six different Schemes for MSMEs funding based on their activity. The bank has also pioneered cluster financing for MSMEs. She also highlighted the MSME Prerana, an Indian Bank initiative, which is a unique scheme to help MSMEs beyond lending. Financial and Operational training is imparted in the vernacular under the scheme.

This was followed by a '**Keynote Address**' delivered by:

Ms. S. Madumathi, IAS

Managing Director
Tamil Nadu Small Industries Development Corporation
Limited (TANSIDCO)

Ms. Madumathi spoke on the topic '**Vision of State Government towards Growth of MSMEs**'. She explained how the State Government is aggressively pushing for a \$1 Trillion economy by creating the infrastructure requirements for Industries to operate in plug-and-play mode in several locations. Mega Clusters are operating for engineering at Tirumudivakkam, Pharmaceuticals



Ms. Bhranti Shah
Senior Vice President
HDFC ERGO, Bengaluru



Ms. Mythili Parthasarathy
Advisor
Madras MindWorks, Chennai



Mr. Murali Sundaram
Advisor
Madras MindWorks, Chennai



Mr. Anand Chari
Deputy General Manager
Bombay Stock Exchange (BSE)

at Tindivanam, food processing in Thanjavur, automobiles at Hosur, Madurai, Dindigul, and Plastic recycling at Karur, with 64 running and 20 others in the process of coming up. These clusters are also places where skill centres are running to train employees to run the industries efficiently. Skill centres have been developed for gold ornaments. She welcomed private owners of land banks to develop private industrial estates for which loans are being granted to develop infrastructure. TANSIDCO has schemes to procure raw materials for clusters as well as marketing assistance programmes.

Plenary Session II – Keynote Session

The 'Keynote Address' was delivered by:

- 1. Ms. Bhranti Shah**
Senior Vice President
HDFC ERGO, Bengaluru
- 2. Ms. Mythili Parthasarathy**
Advisor
Madras MindWorks, Chennai
- 3. Mr. Murali Sundaram**
Advisor
Madras MindWorks, Chennai
- 4. Mr. Anand Chari**
Deputy General Manager
Bombay Stock Exchange (BSE)

5. Mr. Rajat Baid

Founding Partner
Srujan Alpha Capital Advisors LLP, Mumbai

6. Dr. L. N. Rajaram

Director
Kritilabs Technologies Private Limited

Ms. Shah spoke on the topic '**Mitigating Corporate Risks Associated with the MSME Sector in achieving Sustainable Development Goals**'. She covered MSME Risks and Risk Transfer mechanisms. She presented an in-depth explanation of tangible and intangible risks, including Cyber Security, Data Privacy, Product Liability for defective ones, Intellectual Property risk, and Human Capital Risk. She also explained the mitigation strategy for the above and the liability of Directors in India for non-compliances. She mentioned that there are several products to Protect MSMEs and mitigate all these risks.

Ms. Parthasarathy and **Mr. Sundaram** spoke on '**Financial Innovation for Entrepreneurial Ecosystems in the Global Economic Landscape**'. They discussed an increasingly relevant and transformative topic, highlighting the importance of virtual currency for the growth of the economy. In our rapidly evolving digital world, where technology continues to reshape the way we live and conduct business, virtual currency emerges as a powerful tool that holds immense potential for economic empowerment and innovation. It presents a unique opportunity to unlock a new era of growth and prosperity, which will help us achieve the goal of a trillion-dollar economy by 2030. Virtual

currencies, such as digital currencies built on blockchain technology, unlike crypto currencies like bitcoins, offer several advantages that can be beneficial for MSMEs and startups as well as pave the way for sustainable development.

Mr. Chari spoke on the topic of '**Unlocking the value of SME companies through the BSE SME platform**'. Mr. Chari explained in depth the reputation of BSE as a 149-year-old institution of repute and how to derive value from listing at BSE SME as it means transparency and the vision of the entrepreneurs to scale to the next level as a progressive enterprise and attract investments to break into the big league.

Mr. Baid spoke on the topic '**Equity Fund Raising: Old Avenue, New Perspective for SMBs**'. He explained the changes happening in the Indian business landscape, such as GST, demonetization, Pandemic, RERA, PLI scheme, etc., and that, as a consequence, growth strategy is the only survival strategy. His recommended strategies include making businesses strong on paper, making businesses capable of raising funds as and when needed, and making businesses more visible and credible for internal and external stakeholders. He explained with examples and Success Stories where start-ups (IGP 7 Start-up Platform) went on to list on SME Exchange and how it progressed.

Dr. Rajaram expressed his views on '**Digital Transformation for Accelerated Economic Growth through a Robust Entrepreneurial Ecosystem**'. He explained how Kritilabs can be a facilitator as a trusted digital transformation partner with their enviable infrastructure, products, and service back-up. They have seven global patents and support customers 24 hours a day, 7 days a week, in more than 120 cities around the world, managing \$100 billion in digital assets. Digital Transformation is a game changer for the economy, with MSMEs playing a key role. The Internet of Things (IoT) will immensely benefit key sectors of the economy, including agriculture, manufacturing, healthcare, Retail, Logistics, Smart cities, and Data Analytics. Kritilabs is well recognised with several awards for its path-breaking products and services in the digital transformation sector.

Plenary Session III - Panel Discussion: Role of the Entrepreneurship Ecosystem in Empowering, Transforming, Developing, and Contributing to the Growth of a Start-Up Business

The Session was Chaired by:

CA Dr. Gopal Krishna Raju

Chartered Accountant
Insolvency Professional & Registered Valuer

Distinguished speakers of the Session were:

1. Mr. Raghunath Parthasarathy

Chief Financial Officer
Hinduja Tech

2. Mr. S. V. Krishnan

Whole Time Director & Global Chief Financial Officer
Redington Group

3. Mr. S. B. Chandrashekar

Consultant and Advisor
FMCG & Retail verticals for MSMEs and Start-Ups

CA Dr. Raju chaired the session on '**The Role of the Entrepreneurship Ecosystem in Empowering, Transforming, Developing, and Contributing to the Growth of a Startup Business**'. He conducted the discussions on relevant topics including Drivers, Challenges, and Pillars of Support, Surviving the Fall: Lessons Learned from Failed Startups, Strategies for Future-proofing Startups, and How to embrace failure and build resilience in the face of challenge, thereby highlighting his expert views with interesting anecdotes.

Mr. Parthasarathy spoke on '**Drivers, Challenges, and Pillars of Support for MSMEs**' and on how often they fulfill requirements for large industries and are part of their ecosystem. They must keep up with the latest technologies and



Mr. Rajat Baid
Founding Partner
Srujan Alpha Capital Advisors LLP, Mumbai



Dr. L. N. Rajaram
Director
Kritilabs Technologies Private Limited



Distinguished members of the Panel Session
(L to R) **Mr. Raghunath Parthasarathy, Mr. S. B. Chandrashekar, CA Dr. Gopal Krishna Raju and Mr. S. V. Krishnan**



advances. Some of the challenges he identified included being aware of the bigger market, gaining access to money, and anticipating what the sector needed.

Mr. Krishnan spoke on '**Surviving the fall: Lessons from Failed Startups**'. He articulated how the emergence of start-ups is a beautiful opportunity for the country to retain its trained resources, arresting brain drain. The keys to success are better financial management, attracting and retaining talent, risk management, and regulatory compliance. The topline is vanity, the bottom line is sanity, and cash flow is reality; revenue is like a rubber ball, profits are like a cork ball, and cash flow is like a glass ball. We need close control over cash burn. Reducing compensation with stock options as much as possible and making them owners, ring-fencing key employees. VUCA is constant, and we need to find a way to move forward.

Mr. Chandrashekar spoke on '**How to Embrace Failure and Build Resilience in the Face of Challenge**'. He highlighted a case study of MTR restaurants, which created a Ready-to-Cook category in food almost 50 years ago but were forced to shut down in 1975 due to price control during the emergency in India. He also referred to 'Delhivery', a unicorn startup that went Public and faced closure during the Pandemic. He said, "When you lose, don't lose the lesson to bounce back". He also spoke on Strategies for Future-Proofing start-ups by saying that founders must convincingly answer the question, 'Why does this Brand of product or Service Exist?'.

The Summit concluded with the playing of the National Anthem.

Mr. T. V. Srinivasan, Regional Manager, Institute of Directors, proposed the '**Vote of Thanks**'. On behalf of IOD, he extended

gratitude to all the speakers, panelists, guests, and event partners. He also thanked the Hotel Authorities at GRT Grand, Chennai, for the excellent arrangements.

IOD is especially grateful to its **Event Partners**:

Our **Silver** Partner: Indian Bank

Our **Supporting** Partners:

1. Tamil Nadu Industrial Investment Corporation Limited (TIIC)
2. Small Industries Development Bank of India (SIDBI)
3. HDFC ERGO
4. Madras Mind Works
5. Srujan Alpha Capital Advisors
6. City Union Bank
7. Mr. C. P. Rao, IRS (Retd.)
8. Kriti Labs

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Compiled by:

Dr. Sundari Suresh
Regional Manager
Institute of Directors, Chennai



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