



ARCEE Automations

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With the development of cutting edge technology in the field of Artificial Intelligence (AI) and Robotics, what opportunities do you see for the Indian SMEs in the next five years? How does ARCEE Automations plan to tap those opportunities?

With the emphasis on providing zero defect solutions to customers, industries and enterprises will increasingly need to depend on Artificial Intelligence (AI), which is used extensively in Image Processing and Pattern Matching, as well as Robotics, for inspection, quality control, and traceability of their end products. Auto and FMCG sectors are the two fields which make intensive use of these technologies. ARCEE Automations has been already serving these areas and will continue to tap the expanding needs of these sectors.

Currency note inspection and grading is another AI application area that has very good potential for country-wide deployment. ARCEE Automations is already working on an indigenous solution in this segment.

What are the major challenges faced by SMEs in getting finance for their businesses? How can they overcome these challenges?

The situation has vastly improved from what it was when we started operations in 1995. However, when it comes to bank loans, strict adherence to tight debt-equity ratios and meeting collateral requirements are some of the biggest challenges faced by SMEs, especially first generation entrepreneurs. Receivables management is another big challenge

faced by SMEs, if the project execution cycle is delayed and payments do not come on time, interest rate payments can badly affect the margins.

We believe that rather than resorting to sale of equity to VC funds and the like, SMEs would be better off by putting more 'skin in the game' and focusing on their areas of strength instead of attempting too much diversification, in order to limit their borrowings until they have reached a certain 'critical mass'.

What are your views on the Government's initiatives, specifically 'Start-up India; Stand up India' in terms of entrepreneurship development and job creation?

The ecosystem of the entrepreneurs (the supply chain) has to develop strongly to produce competitive end products. Basic infrastructure facilities which are available in western countries should be made readily available to drive the growth that will make job creation feasible.

Will the Government's initiatives to digitize India, with the focus being on SME sector, help them to evolve and adapt to the technological changes?

Yes. Firstly, most of the SMEs are part of the supply chain to bigger corporate houses and with digitization they will be able to better align their systems and processes with those of their customers.

Secondly, digitizing of the government's regulatory mechanisms will reduce third party/intermediaries' intervention in getting statutory

approvals. Speedy clearance when all the paperwork is correct without any delay will be feasible and there will also be increased transparency in the policies, processes and procedures.

With the rising costs of inputs, how does ARCEE Automation strategize to increase their productivity and reduce their cost of production?

Currency exchange fluctuation is one of the biggest problems affecting our input costs, since we import several of the key components. Although, hedging is one of the options to handle this, it has its limitations. Building the ecosystem of the supply chain indigenously is the best way to reduce the cost of production.