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A CONSUMER CONNECT INITIATIVE



Ambarish Dasgupta,
Partner,
KPMG India

DISRUPT OR BE DISRUPTED

SMEs learn the ropes to make a lasting impact in a rapidly changing economic order





Niren Shethia,
Partner-Indirect
Tax, PwC India

DIGITISATION WOULD EASE GOVERNANCE

Recently, Ambarish Dasgupta, Partner, KPMG India, focused on the importance of digitisation in the ever-changing economy, particularly for SME entrepreneurs. He focused on the importance of governance in an economy like India and how digitisation would ease governance. "If the governance is not proper, then we could create a massive bubble that if burst, would be very damaging for the economy," said Dasgupta in his keynote address. He also touched upon the effects that the SME industry would face in an unpredictable economy and gave insights on how to tackle certain issues. "We should not be moving in a direction where greed overshadows governance, and if that happens, SMEs are going to get badly hit because they are unprotected. Hence, a strong legal rudder is imperative for the SMEs to flourish where the governance has to be better," added Dasgupta. Dasgupta addressed the need for SMEs to create a healthy working ecosystem with the large corporates and how digitisation would ease the whole process. "Coexistence between the large players and the SMEs are very important just because the business has become that much connected. Laying out a level-playing field would mean that accessibility increases and that's where digitisation would play a big role," he observed.

SEIZE THE GST OPPORTUNITY

Addressing a roomful of small and medium entrepreneurs is not easy, particularly if the subject, though hotly debated, is at least understood as the goods and services tax (GST). But Niren Shethia, Partner-Indirect Tax, PwC India, made it look like a walk in the park as he presented GST as an opportunity for the SME sector. Hinting at a possible rollout of GST as early as July 1, or latest, by September 15, Shethia said that it will save a lot of tax cost in procurement for any manufacturer, trader or even a service provider. Moreover, their suppliers' procurement cost would also get lowered. This, he said, was an opportunity for the SME to negotiate better with suppliers. "You can ask your supplier to pass on his savings to you." And since GST would cover every player in the sector, it would require compliance of a higher order. Shethia urged the audience to get ready to report and file returns online. Shethia even touched upon the draft law that was introduced June last and revised in November, which clearly states that one can't make profit out of GST since the objective is to pass on the benefit to the customer. "If you've profited (from GST), there are stringent penalties." The top consultant highlighted that it was indeed an opportunity to prove cost efficiencies for any player in order to be more competitive.

Panel in Progress: (From Left to Right) Niren Shethia, Partner-Indirect Tax, PwC India; Ajay Sehgal, Senior Vice President, Vodafone India; Ambarish Dasgupta, Partner, KPMG India; Kavi Arora, Managing Director & CEO, Religare Finvest Ltd.; Shekhar Tiwari, Managing Director, Mumbai & Colombo Operations, Accenture; and ET Moderator



Rapt Attention: The audience at the event, comprising SME entrepreneurs, gain fresh insights on the new normal

At a panel discussion hosted by Religare Finvest Ltd.'s SME Co-lab, a collaborative laboratory for entrepreneurship, at Mumbai's Taj Santacruz hotel, the room was packed by SME entrepreneurs keen to learn the tricks of the trade from big players. Moderated by ET the discussion gave insights on how to run a business and why it's important to adapt to the rapid changes that are shaping the economy. In the beginning, when asked to the floor if anyone had done anything significant digitally in their business and if they were ready for the GST regime, there was silence in the room, which just meant that this panel discussion was more significant than ever. The panel touched upon the need of a connected network of business in the modern day and how that would ease its functioning. "Disruption is the new change where data is the dollar. All the new companies that have come up, like Netflix and Uber, are large players with no direct product but a network of smaller players and that's why forming a network is very important," said Ajay Sehgal, Senior Vice President, Vodafone India. After all, for SMEs, connection is pivotal across functions, starting from staff to customer relations. Along with a disruptive mindset, digitization is key to sustainability. And it was Kavi Arora, Managing Director & CEO, Religare Finvest Ltd. who spoke about the importance of digitization that leads to disruption. "Digitization has brought upon a much-needed disruption in the business world, and that same level of change needs to come with each and every business for it to flourish. Hence, adaptability is key to sustainability," said Arora. Again, the panel was keen to touch upon the importance of education and to be aware of the changes that are sweeping the economy. "Educating the businesses about digitization is very important. Digitization is very important in forming a cluster, and when businesses form a cluster through their network, their functioning becomes much smoother," said Ambarish Dasgupta, Partner, KPMG India. The panel also shed light on the upcoming new regime of GST and how it would affect businesses across sectors. "A lot of study needs to be done about GST and what it actually brings. Transparency is key. Installing your business digitally is imperative for that level of transparency," said Niren Shethia, Partner, Indirect Tax, PwC. The panel even gave some valuable advice to the entrepreneurs present at the event regarding the role that social media plays



KAVI ARORA,
MANAGING DIRECTOR & CEO,
RELIGARE FINVEST LTD.

I feel there are three main issues that an SME faces today—availability of credit, delayed payment by large players and technology upgrading. But eventually, it's about empowering your business and that hunger to grow is very important.



RELIGARE SME LOANS
Values that bind
In your success lies ours