

**An Interview with
Mr. Sunil Arora , ASA & Associates LLP India**



1. Tell us about your organisation and its main activities in India

Our organization ASA & Associates LLP (ASA) is a full-service firm of corporate strategists, auditors, tax advisors, market entry analysts, M&A advisors and insolvency experts. With over 26 years in practice, we service our clients through 8 offices across India. We have a team of over 650 specialists who work to understand and service the needs of SMEs as well as large corporates investing in India.

2. Ease of doing business (EODB) is a critical challenge for the government. What are the steps taken to address this?

As you rightly said, EODB Index is a critical factor and indeed a huge challenge for the current administration as it directly impacts the flow of Foreign Direct Investment (FDI) into the country.

This obviously is amongst the key agenda for the government. A series of measures have been taken at the state and central level with a clear focus on methodically simplifying & rationalising the existing regulations and using technology to make governance more efficient, effective and transparent. The key challenges to EODB have been identified and addressed in an effective manner viz. physical submission of paperwork has been substituted with mandatory electronic submission; no objection certificates (NOC) regime is being done away with; labour laws have been codified and new wages regulation introduced; new electronic performas introduced to enable company incorporation in a day's time; grant of online construction permits through integrated / common application platform; setting up commercial divisions in Delhi and Mumbai high courts for speedy and time-bound disposal of commercial disputes; introducing an online single window for clearance of goods and also an online facility to resolve foreign trade related issue. These essentially aim to address some fundamental issues and will leave a positive impact.

Other key measures such as introduction of Insolvency & Bankruptcy Code and doing away with the Foreign Investment Promotion Board are expected to improve our credibility and improving the EODB Index in an effective and sustainable manner.

3. What is the impact of GST in the manufacturing sector in India?

GST has opened a host of opportunities, as equally challenges, for the manufacturing industry. Based on our experience with manufacturers and feedback received from key stakeholders, we feel that the overall impact has been more positive i.e.

- (i) First and foremost, GST has brought in efficiencies in tax costs as now there is one single tax as against multiple taxes earlier where cross set-off amongst different taxes was not permitted. This has lowered the cost of production, resulting in lower prices to end-consumers;
- (ii) Given that state barriers have been removed, the need for having warehouses in different States from a tax efficiency perspective is eliminated. This has led to warehouse consolidation and reduction in warehousing costs;
- (iii) From a compliance perspective, a single registration for all facilities in the State is permitted leading to ease of compliances;
- (iv) GST has subsumed Entry Tax and now there can be a free inter-state movement without incurring additional tax costs and related compliances.

GST has been well accepted by the manufacturing industry at large. However, there are some challenges which are being addressed by maintaining an open communication channel with the stakeholders.

4. What according to you are the ways in which VDMA can contribute in enhancing networking with German manufacturers?

VDMA assists its German member companies through in-depth research on Indian machinery manufacturing markets and acts as a bridge between Indian policy makers and its members. In addition to the various initiatives that VDMA has already put into play, VDMA members may benefit from

- (i) Regular knowledge programs on policy matters such as tax, regulatory or
- (ii) Establish strong industry partnerships with local chambers such as CII, FICCI, PHD for mutual benefit of respective members and facilitating exchange of views in a B2B environment;
- (iii) Engaging with like-minded with trade chambers in other south east Asian countries like Sri Lanka and Bangladesh;
- (iv) Guiding its members on constructive CSR activities in India

Past events:

1) On **28th July 2017**, **The German Engineering Federation (VDMA)** in association with **ASA & Associates LLP, BDB India Pvt Ltd & EAC International Consulting** organized a road show on **Indo German Business Forum** at The Grand New Delhi. **The event deliberated on various facades of manufacturing, GST, export and localisation opportunities.** Furthermore, the participants were also informed about the Impact of GST on German Manufacturing Industry. Special address was given **by the Chief Guest Dr. Jasper Wieck, Deputy Chief of Mission, German Embassy, New Delhi.** **Mr Rajesh Nath** the **Managing Director** of **VDMA India** also spoke about Indo German Trade in Engineering sector. Around 70 participants constituting mainly the German companies in India (VDMA members) attended this event.