

# Together

**Ease of Doing Business  
in India (Spl. Issue)**

Volume – 7 No. –93 Nov. – Dec. 2018

visit at: [www.imis.ac.in](http://www.imis.ac.in) Private Circulation only

**Editor in Chief:**  
DR. USHA KAMILLA

**Published by:**  
Director,  
Institute of Management  
& Information Science  
Swagat Vihar, Bankuala  
Bhubaneswar-751002  
Odisha, India  
Tel.: +91-674-6542256/ 57  
E-mail: [usha@imis.ac.in](mailto:usha@imis.ac.in)

**Contributing Editors:**

Megha Prasad (17DM004)  
Krutika sahu (17DM038)  
Reema Rana (17DM046)

**Layout Design:**

Mr. Sibananda Bhuyan

## THIS ISSUE

2	<b>THE EDIT PAGE</b> <i>Issues &amp; Insights</i>		
3	<b>MAGANAGEMENT QUIZ</b> <b>NO. 32 –</b> <i>Task Ahead</i>		
4	<b>INTRODUCTION TO</b> <i>Ease Of Doing Business</i>		
5	<b>WORLD BANK</b> & <i>Ease Of Doing Business Index</i>		
7	<b>EASE OF DOING BUSINESS</b> <b>Government of India initiatives</b>		
8	<i>Ease of Doing Business Index &amp; Human development Index</i>		
9	<b>News on MARKETING AFFAIRS</b>		
13	<b>News on FINANCIAL AFFAIRS</b>		

The World Bank 'Ease of Doing Business 2018 Rankings', an assessment of business regulation across 190 countries, has given a big boost to the NDA government, as India climbed another 23 points in the World Bank's ease of doing business index to 77th place, becoming the top ranked country in South Asia for the first time & has successfully reached the top 100 club. The World Bank has recognized India as one of the top improvers for the year. This year, India features among the report's list of top 10 improvers for the second year in a row & is the only one in BRICS to feature in this list.

A nation's ranking on the index is based on the average of 10 sub-indices namely, starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, enforcing contracts across borders & resolving insolvency. The six reforms recognized in this year's report are- starting a business, getting electricity, dealing with construction permits, getting credit, paying taxes & trading across borders. The biggest gain was in construction permit where India climbed 129 ranks to 52nd place on the back of targeted government effort to remove hurdles. In dealing with construction permits, India has implemented an online single window system, introduced deemed approvals and reduced the cost for obtaining these permits. In the electricity sector, the time taken for obtaining a new connection has reduced from 105 to 55 days for resolving insolvency, India has put in place a new Insolvency and Bankruptcy Code and time bound reorganization procedure for corporate debtors. The doing business report ranks countries on the basis of distance to frontier (DTF), a score that shows the gap of an economy to the global best practice. India's DTF score improved to 67.23 from 60.76 last year.

Ease of doing business is one of the key requirements of the Make in India initiative & other progressive schemes. Some of the major initiatives taken by the government in the last couple of years to improve 'Ease of Doing Business' in India includes- Passage of Insolvency and Bankruptcy Code, time for registering companies reduced, easier processes for incorporation, eBiz portal to make the process of incorporating a company simpler, doing away with requirement for minimum paid up capital & making tax laws simpler. Moreover, the Goods and Services Tax was a landmark reform & the idea of one nation, one tax, is a step in the right direction. The introduction of GST has made it easier for people to start a business

All in all, India has the potential to achieve its rightful place as an influential global leader. With lower production costs, easy ways to procure raw materials, a young workforce & progressive yet flexible atmosphere, we're on the right path. Global conversations surrounding India have notably increased in the last few years, mostly as a result of over 109 new initiatives taken by the Government, many of which are directed towards the vision of a new well-connected digital India. Even though we continue to improve on the ease of doing business index, challenges like fluctuating commodity prices, exchange rates & lack of basic infrastructure continue to persist. Also, doing business in a country like ours, with its cultural, geographical, demographical diversity is not an easy endeavor. To achieve the top 50 position, India must move from policy reforms to actionable results. The path has not been easy so far & despite considerable progress there is still a long way to go.



[usha@imis.ac.in](mailto:usha@imis.ac.in)

# MANAGEMENT

## QUIZ - 32

**MAGANAGEMENT**  
**QUIZ NO. -- 32**  
**Task Ahead**



1. Name the brand that has nearly 54 % share globally in the chocolate spreads market. Its nearest rival has a mere 2 % share.
2. After a rather fierce competition among cities to get Amazon's HQ2 which two cities were finally chosen as the second headquarters?
3. Which state in India receives the largest amount by way of remittances from abroad?
4. Which technology/ industry will be regulated in India by the Digital Sky platform from December 1, 2018?
5. In all Apple product advertisements, the time shown is 9:41 AM. Only in one product the time shown is different, which one is that product?
6. Which publication came up with the Big Mac index in 1986 to use the purchasing power parity theory to determine whether a currency is overvalued or undervalued based on the prices of Big Mac in the two countries?
7. Which foods company is test marketing a mobile "All Day Breakfast" vans in Delhi?
8. Which Indian automobile group is part of the venture that has again launched the vintage motorcycle brand JAWA ?
9. Which is the world's biggest car market in terms of volumes?
10. Between which two airports has Singapore Airlines started the world's longest haul flight of 10,400 miles & 18 hour 40 mins long ?

**Answers to Management Quiz No. 31**  
**(Together, Sept. - Oct. 2018, Vol.7, No. 92)**

1. Tata Steel
2. Burger Singh
3. Infibeam
4. Bandhan Bank
5. Samsonite
6. From 10 % to 20 %
7. Gabon
8. Michael Kors
9. SEC Ltd (earlier Macmillan Publishing)
10. Porsche

**Students are required to send answers to Management Quiz No. 32 to the Email: [usha@imis.ac.in](mailto:usha@imis.ac.in), latest by 10th January 2019, to win attractive prizes, for all correct answers.**

## 7 Cardinal Rules For Life

- 1) Make peace with your past  
so it won't disturb your present.
- 2) What other people think of you  
is none of your business.
- 3) Time heals almost everything.  
Give it time.
- 4) No one is in charge  
of your happiness. Except you.
- 5) Don't compare your life to others  
and don't judge them, you have no idea what their journey is all about.
- 6) Stop thinking too much.  
Its alright not to know the answers.  
They will come to you when you least expect it.
- 7) Smile.  
You don't own all the problems in the world.



# INTRODUCTION

The Doing Business Report (DB) is a study elaborated by the World Bank Group since 2003 every year that is aimed to measure the costs to firms of business regulations in 183 countries in 2012. The study has become one of the flagship knowledge products of the World Bank Group in the field of private sector development, and is claimed to have motivated the design of several regulatory reforms in developing countries. The study presents every year a detailed analysis of costs, requirements and procedures a specific type of private firm is subject in all countries, and then, creates rankings for every country. The study is also backed up by broad communication efforts, and by creating rankings, the study spotlights countries and leaders that are promoting reforms






# WORLD BANK & *Ease of Doing Business INDEX*

**Fast mover**  
India's performance in World Bank's 'ease of doing business' report

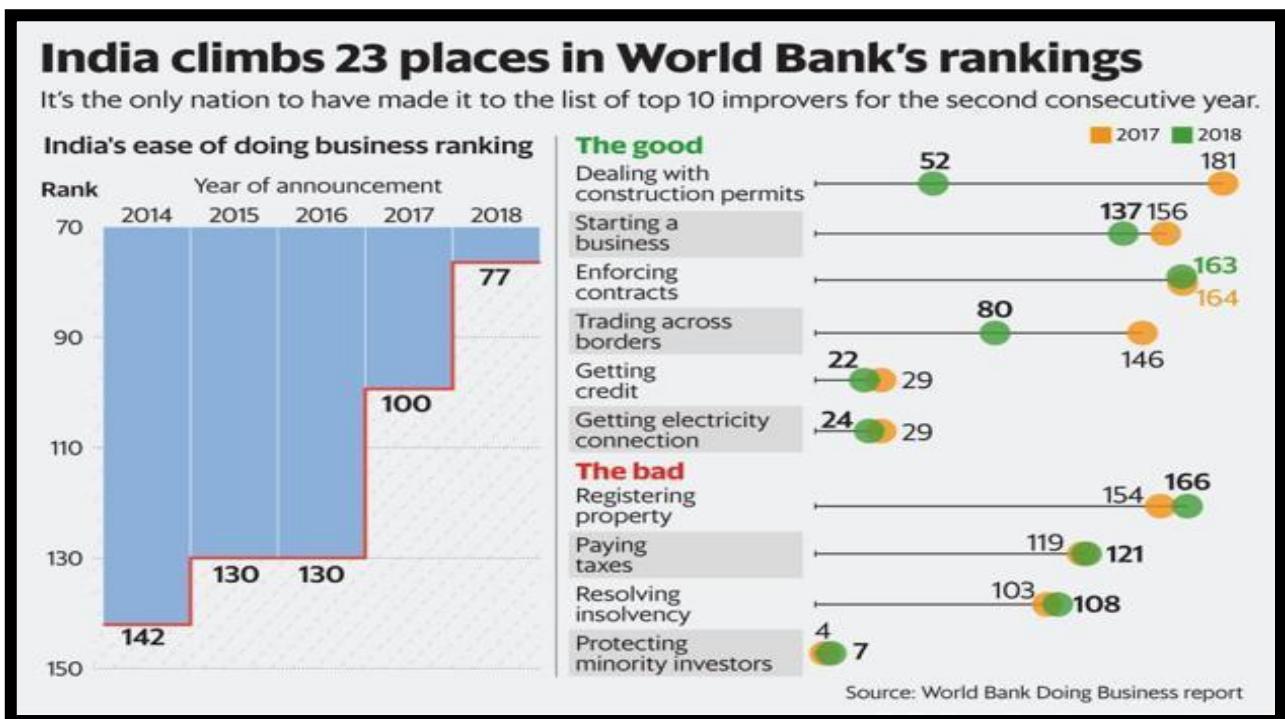
Indicator (Ranking)	2017	2018
Starting a business	155	156
Dealing with construction permits	185	181
Getting electricity	26	29
Registering property	138	154
Getting credit	44	29
Protecting minority investors	13	4
Paying taxes	172	119
Trading across borders	143	146
Enforcing contracts	172	164
Resolving insolvency	136	103
<b>Overall ranking</b>	<b>130</b>	<b>100</b>



**Major achievements in the World Bank in the Doing Business Report**

- Resolving Insolvency
- Paying Taxes
- Getting Credit
- Enforcing Contracts
- Protecting Minority Investors
- Construction Permits

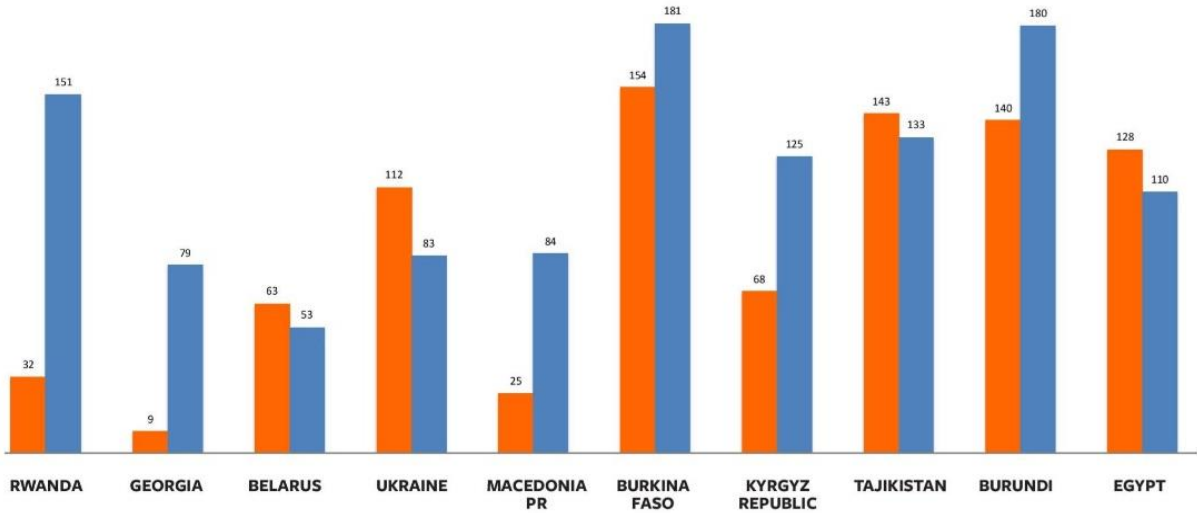
**BOOST FOR INDIA**  
**EASE OF DOING BUSINESS**  
**India Ranked 77**  
**23 RANK JUMP**



**Ease of Doing Business INDEX  
& Human development INDEX**

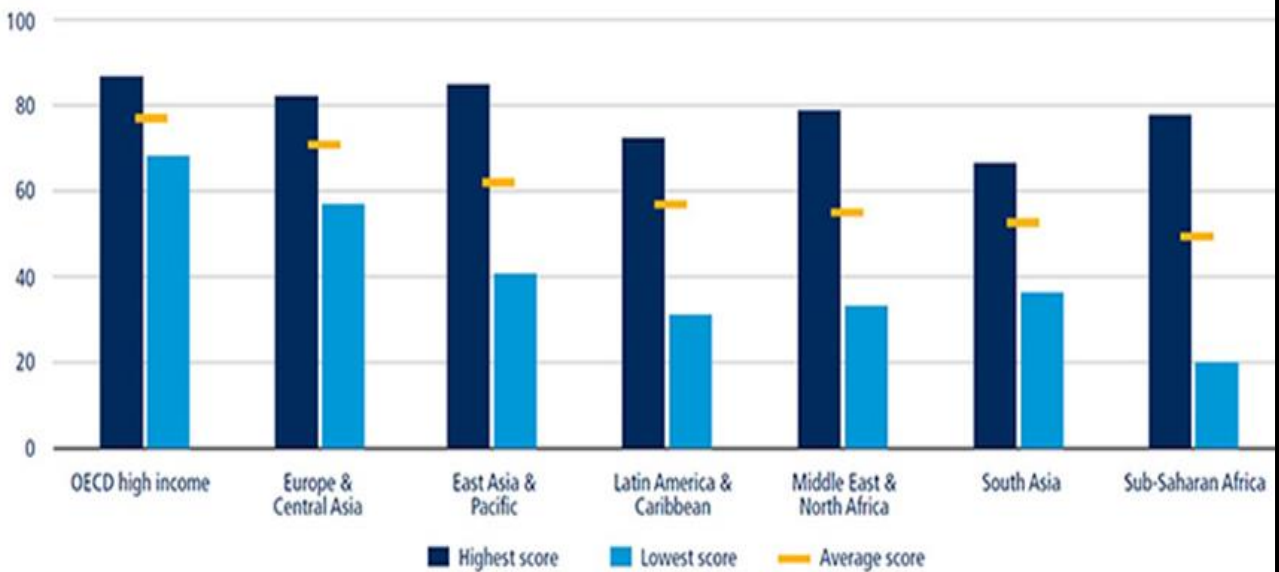
**Does a Higher World Bank “Doing Business” Ranking Lead to Greater Human Development Outcomes?**

DOING BUSINESS WORLD BANK RANKING HUMAN DEVELOPMENT INDEX SCORE



**Where it is easier to do business and where it is more difficult**

Distance to frontier score (0–100)







# EASE OF DOING BUSINESS Government of India initiatives

## START-UP & STAND-UP INDIA



सत्यमेव जयते  
Government of India

# #startupindia



INSPIRIA TO BE A PART OF  
**START-UP INDIA, STAND-UP INDIA**

## MAKE IN INDIA

- Launched in September 2014, the "Make in India" initiative aims to build best-in-class manufacturing infrastructure by enabling investments, boosting innovation, encouraging skill development and strengthening intellectual property protection



Achievements till Date:

- In first half of 2015, FDI inflows to the manufacturing sector were more than three times those recorded in first half of 2014

## FOCUS ON URBANIZATION THROUGH CREATION OF SMART CITIES

Launched in September 2014, This initiative is expected to boost the real estate, technology, media and telecom (TMT) and construction sectors. In the construction sector, the Government has allowed 100% FDI under the automatic route and reduced the minimum capital requirement to US\$5m from US\$10m



## DIGITAL INDIA INITIATIVE

Under the "Digital India" initiative, also known as "e-Kranti," the Government aims to provide digital access to all citizens in both urban and rural areas. The initiative is expected to add US\$1t to the economy by 2025

Achievements till Date:

- Technology giant, CISCO, has announced plans to invest US\$1.7b in 2015 in areas such as R&D and innovation with a keen focus on collaborating with the leading cap in its "Digital India" initiative
- US based technology company, EMC, also plans to invest heavily in India, as it eyes new opportunities arising due to the initiative in areas such as software development

# DOING BUSINESS JUST GOT EASIER

How India's fared on the World Bank's Ease of Doing Business rankings till now



Source: World Bank

www.creative

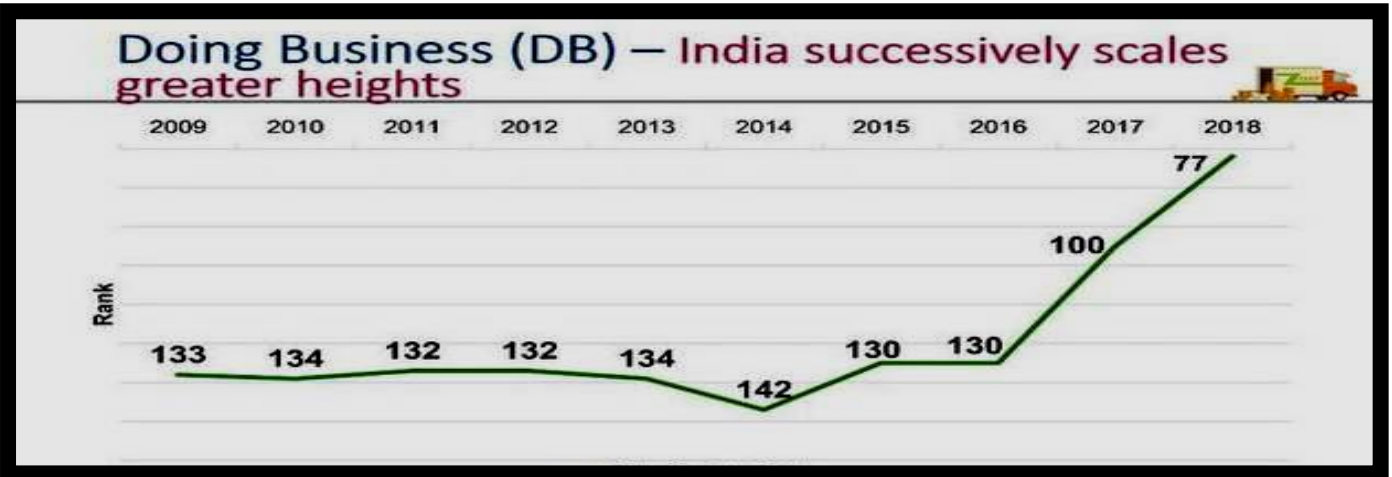
## Boost to Make In India with significant improvement in Ease of Doing Business under NDA Govt



### Improvements registered by World Bank

- Minimum capital requirement eliminated
- Certificate to commence business operations not required
- Single application form for new firms
- Online registration for tax identification numbers (TIN)
- New electricity connection simpler and faster
- Getting construction permits gets easier
- Online systems for filing and paying taxes





*India jumped 50 spots in just 2 years and has emerged as one of the top reformers, as per World bank officials, but they also cautioned that entering the top 50 Brackets, a goal set by PM Modi in 2014 is although nut to crack....even though at this point of time, it is no longer seems to be impossible for India.*

- SIX MAJOR GOVERNMENT INITIATIVES FOR EASE OF DOING BUSINESS IN INDIA.**
- **Passage of Insolvency and Bankruptcy Code.**
  - **Time for registering companies reduced.**
  - **Easier processes for incorporation.**
  - **Integration of processes through eBiz portal.**
  - **Doing away with requirements of minimum Paid up Capital.**
  - **Making tax laws simpler.**

## News MARKETS & COMMODITIES



### **To meet divestment target: \$2 billion share sale of ONGC, IOC & OIL in the pipeline**

**16 Nov, 2018**

Earlier this month, the government sold a 3% stake in Coal India via the offer for sale. The government is considering a plan to sell shares worth \$2 billion in Oil and Natural Gas Corp (ONGC NSE 0.95 %), Indian Oil Corp (IOC) and Oil India Ltd NSE 0.88 % (OIL) to help meet this year's divestment target, according to people familiar with the matter.

### **IHG plans to tap mid-market brands in India**

**17 Nov, 2018**

"The India strategy is to accelerate the growth and Holiday Inn Express brands will be the engine of growth for IHG," said Vivek Bhalla, Regional Vice President, South West Asia, at IHG. IHG will open 49 hotels across the country by 2020, largely under the Holiday Inn Express brand. The company plans to open 85% of its upcoming hotels under the mid-market brand.

### **Government plans database of drugs to prevent use of similar brand names**

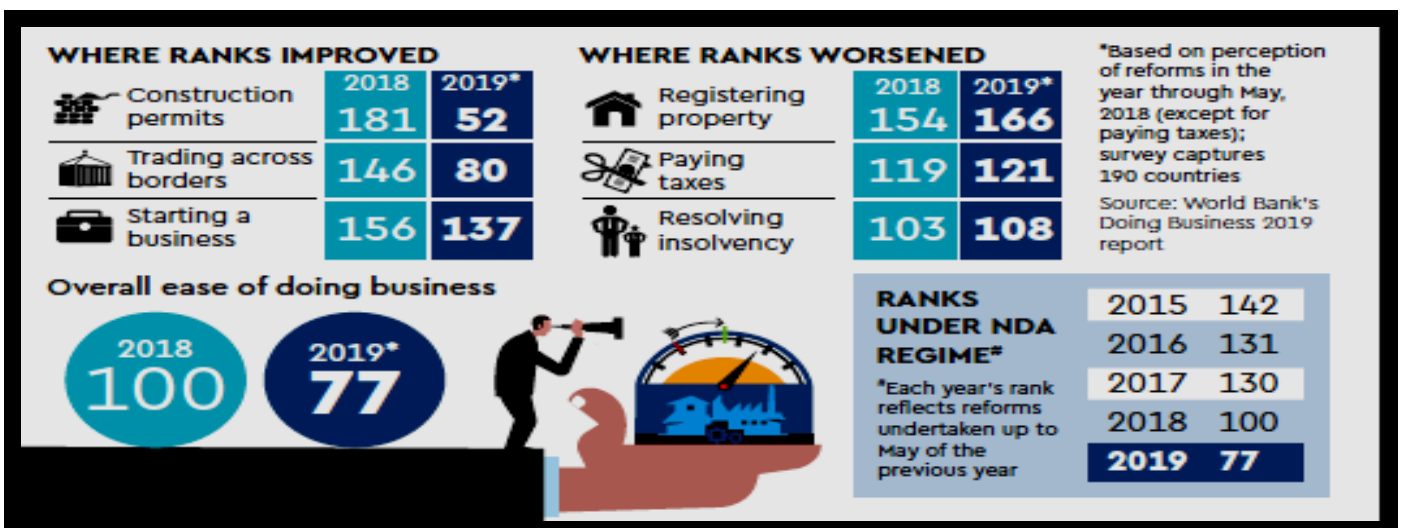
**29 Nov, 2018**

DTAB, country's highest drug advisory body, will discuss a mechanism to this effect at its meeting on Thursday because the problem is extensive and spread across the country. A 2013 study published in the Indian Journal of Clinical Practice had found that more than 10,000 medicine brands in India were either similar looking or similar sounding.

### **Brands take steps to stop deep discounting online**

**22 Nov, 2018**

Eureka Forbes took legal action against 200 vendors for selling products at deep discounts on e-com websites. Sony, Apple, LG and Eureka Forbes are intensifying these measures after Flipkart and Amazon offered heavy discounts and cashback deals during their festive sales from Navratri in October to Diwali earlier this month, industry executives said. Such measures by companies return after two years, they said.



## ***Indian IT industry is making convincing strides as their clients demand digital transformation***

**17 Nov, 2018, 11.00PM IST**

India's IT industry is making convincing strides as their clients demand a digital transformation. Headlines proclaiming the death of India's vaunted IT industry was becoming commonplace. "India's massively successful software services industry... died on Friday after a short battle with newer digital technologies," Bloomberg columnist Andy Mukherjee wrote in October 2016.

## ***Little known to many investors, crypto currency reviews are for sale***

**28 Nov, 2018, 07.53AM IST**

Self-proclaimed social media personalities charge thousands of dollars for video reviews. Self-proclaimed social media personalities charge thousands of dollars for video reviews. Research houses accept payments in the crypto currencies they are analyzing. Rating "experts" will grade anything positively, for a price. All this is common, according to more than two dozen people in the crypto currency market and documents reviewed by Reuters.

## ***J&J knew for decades that asbestos lurked in its Baby Powder, claims report***

**15 Dec, 2018, 11.20AM IST**

The report by Reuters sent the company's shares to their worst one-day sell-off in 16 years. Darlene Coker knew she was dying. She just wanted to know why? She knew that her cancer, mesothelioma, arose in the delicate membrane surrounding her lungs and other organs. She knew it was as rare as it was deadly, a signature of exposure to asbestos.

## ***Retail markets in India: Opportunities in a dynamic world***

**7 Dec, 2018**

Online retail sales as a percentage of total sales have shown a tremendous rise, going from 0.8 percent in 2014 to 3.6 percent of total retail sales in 2017. As the retail industry story unfolds in India, new strategies come to the fore. Recent news of Amazon acquiring a stake in Future Retail NSE -0.24 % is an indication that the strategy will be differentiated given the nature of the market and consumption trends.





## ***Mahindra and Mahindra to use SsangYong brand to expand portfolio***

**26 Nov, 2018**

The first of the three products to be developed by tapping into the global ecosystem was the Marazzo, which Mahindra launched earlier this quarter. Alturas is the second. The company has set itself a target of selling 9,000 units a month from three all new products planned this financial year, which have been developed using engineering assistance from Mahindra's Korean counterparts and Italian car-design firm Pininfarina.

## ***Gold gains as dollar slips on US jobs data***

**21 Nov, 2018, 08.26PM IST**

The dollar weakened against a basket of currencies after US jobless claims rose to a more than four-month high. Spot gold rose 0.4 per cent to \$1,225.76 per ounce by 1408 GMT, having moved in an \$8 range ahead of the US Thanksgiving holiday. It hit its highest since November 7 on Tuesday at \$1,228.79.

## ***Taxmen begin scrutiny of Unilever-GSK deal***

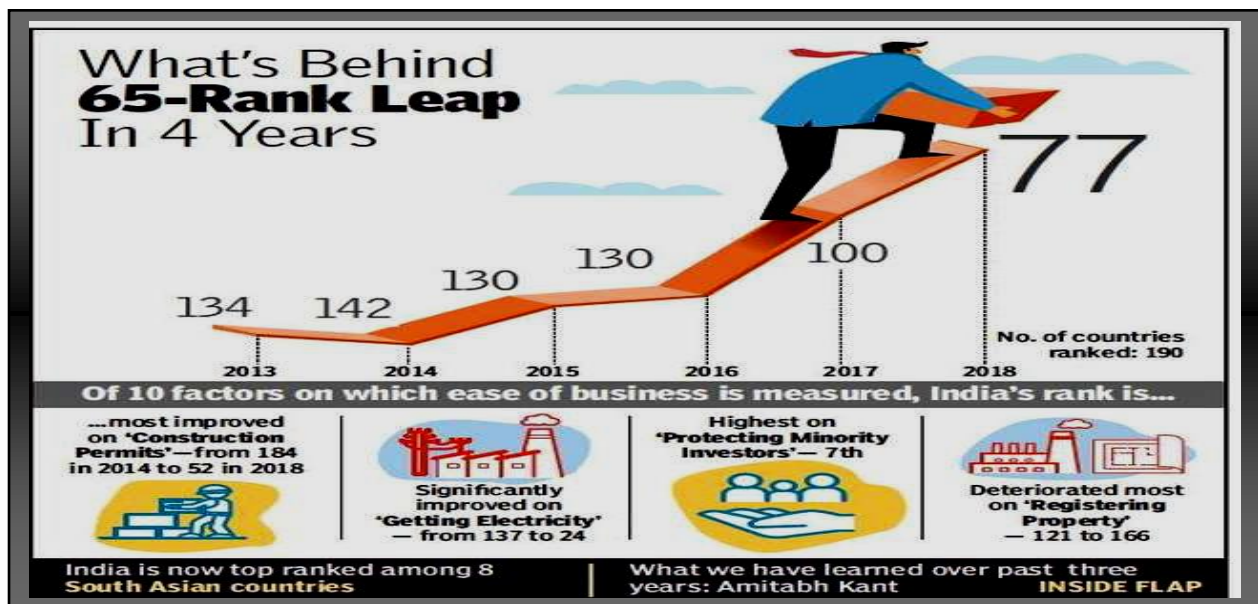
**5 Dec, 2018, 07.40AM IST**

Tax officials could also raise the issue that GST of 12% is applicable on the overseas transaction. Taxmen have begun to scrutinize the \$3.8-billion (3.3-billion euro) Unilever-GSK transaction and could raise demand on the value of the sale of Horlicks brand to the Anglo-Dutch multinational by invoking provisions relating to indirect transfer of shares, tax experts and lawyers.

## ***Court orders China sales ban on older Apple iPhones in Qualcomm case***

**11 Dec, 2018, 09.09AM IST**

Qualcomm said the Fuzhou Intermediate People's Court in China found Apple infringed two patents held by the chipmaker and ordered an immediate ban on sales of older iPhone models, from the 6S through the XA Chinese court has ordered a ban on the sale of several older Apple Inc iPhone models in China for violating two patents of chipmaker Qualcomm Inc., although Apple said all of its phone models remained on sale in the mainland.



**News**  
**FINANCIAL AFFAIRS**



***GST led to 'household savings' as tax rates came down***

**Dec 16, 2018**

An average Indian household is saving up to Rs 320 every month on purchase of commonly used goods including cereals, edible oil and cosmetics post GST implementation, a finance ministry source said citing an analysis of consumer expenditure data.

***DEA Secy for reducing public debt over next 4-5 years***

**Dec 15, 2018**

The Indian economy has a large overhang of public debt and there is a need to focus on reducing this in the next 4-5 years, Economic Affairs Secretary Subhash Chandra Garg said Saturday. Pointing out that fiscal deficit is moving towards the ideal level of 3 per cent of GDP and inflation is moderate, Garg also said India's macroeconomic parameters are among the best globally.

***Cash-strapped IL&FS group selling luxury cars, office furniture to raise funds***

**Dec 14, 2018**

Debt-laden IL&FS group firms are selling high-end cars, office furniture, electrical appliances and other assets in a bid to raise funds. The Infrastructure Leasing & Financial Services (IL&FS) and its various group firms have invited bids to sell 36 luxury cars.

***PFC plans to borrow Rs 7,000 crore from domestic banks to fund REC deal***

**Dec 14, 2018**

State-run Power Finance Corp (PFCNSE 5.28 %) plans to fund its Rs 14,000 crore acquisition of REC by borrowing Rs 7,000 crore from domestic banks, for which negotiations have begun, and is likely to moderate its dividend payout as well as disbursements to loan accounts this financial year.

**The following parameters are considered:**



## **Companies vanishing act on GST invites taxmen**

**Dec 12, 2018**

Taxmen may soon come knocking at the premises of companies that have registered for the goods and services tax and vanished, not having filed returns or paid their taxes. The authorities are considering putting in place an extensive plan to hunt for these missing GST taxpayers, which includes visiting their premises.

Doing biz with Govt.: TDS system helps taxmen detects Rs. 10 crore GST evasion in Karnataka with tax deducted at source (TDS) regime under GST kicking off from October 1, taxmen have been able to catch such contractors and businessmen who do business with government but pay no taxes.

## **GST evasion worth Rs 12,000 crore detected between April-November**

**Dec 12, 2018**

The government has detected GST evasion worth Rs. 12,000 crore in 8 months till November, a senior tax official said Wednesday. Central Board of Indirect Taxes and Customs (CBIC) member John Joseph said despite the electronic way or E-way bill mechanism there has been rampant evasion and there is a need to increase compliance.

## **Direct tax collections rise 15.7% YoY for April-November period**

**Dec 10, 2018**

The direct tax collections are up 15.7% for the April-November period from corresponding period a year ago, data released by the government on Monday showed. Collections added to Rs 6.75 lakh crore while refunds amounting to Rs 1.23 lakh crore have been issued during April-November, which is 20.8% higher than refunds issued during the same period in the preceding year.

## **Will facilitate global funds looking to invest in India: Suresh Prabhu**

**Dec 09, 2018**

The government will put in place a proper mechanism including easy regulations, detailed information and less paperwork for global funds to invest in the country in areas such as infrastructure and startups, Commerce and Industry Minister Suresh Prabhu said.

## **STATE LEVEL ASSESSMENT**

### **WHERE THEY STAND**

	Rank 2015	Rank 2016			Score (In %)
Telangana, Haryana and Uttarakhand have improved the most in the DIPP-World Bank ease of doing business rankings.	2	1	▲	Andhra Pradesh	98.78
	13	1	▲	Telangana	98.78
	1	3	▼	Gujarat	98.21
	4	4	◄	Chhattisgarh	97.32
	5	5	◄	Madhya Pradesh	97.01
	14	6	▲	Haryana	96.95
	3	7	▼	Jharkhand	96.57
	6	8	▼	Rajasthan	96.43
	23	9	▲	Uttarakhand	96.13
	8	10	▼	Maharashtra	92.86

Source: DIPP



### ***Citing IL&FS mess, Arvind Subramanian calls for AQR on all NBFCs***

**Dec 07, 2018**

Citing the ongoing IL&FS crisis, the past chief economic advisor Arvind Subramanian Friday called for an asset quality review (AQR) like the one carried out on the banks by the central bank, to fully gauge the extent of the hidden stress in the system.

### ***Finance Ministry says RBI's assessment of economy in line with govt's reading***

**Dec 05, 2018**

The finance ministry Wednesday said the assessment of growth and inflation made by the RBI's Monetary Policy Committee (MPC) is in line with government's reading. RBI Governor Urjit Patel-headed MPC has kept the key lending rate unchanged.

### ***Finance Ministry says RBI's assessment of economy in line with govt's reading***

**Dec 05, 2018**

The finance ministry Wednesday said the assessment of growth and inflation made by the RBI's Monetary Policy Committee (MPC) is in line with government's reading. RBI Governor Urjit Patel-headed MPC has kept the key lending rate unchanged. The panel retained its GDP growth projection of the current fiscal at 7.4 per cent and expects inflation to remain well below the mid-term target of 4 per cent.

### ***Credit to MSEs up 5 times to Rs1.23 lakh crore post GST: SBI study***

**Dec 04, 2018**

Incremental credit to micro and small enterprises (MSEs) has increased five times to Rs1.23 lakh crore in the post- GST period. The credit growth to MSEs is quite stupendous post-GST, the report by SBI Ecowrap said. The Goods and Services Tax (GST), which subsumed most of the indirect taxes, was rolled out in July 2017.

**DB 2019 | Indicator wise rank improvement over last year**

Indicator	2017	2018	Improvement
Construction Permits	181	52	129
Trading Across Borders	146	80	66
Starting a Business	156	137	19
Getting Credit	29	22	7
Getting Electricity	29	24	5
Enforcing Contracts	164	163	1

4

***CAD may widen to 3% in September quarter on higher crude prices, gold imports:  
ICRA***

**Dec 03, 2018**

India's current account deficit is likely to rise to 3 per cent of GDP in the July-September quarter of current fiscal, from 2.4 per cent in the preceding quarter, driven mainly by high crude oil prices, ICRANSE -0.66 % said Monday.

***NDA government earned Rs11 lakh crore oil tax revenue in last 4.5 years***

**Nov 30, 2018**

Claiming that the NDA government earned oil tax revenue of Rs11 lakh crore in the last four and a half years, the leader of the Congress in the Lok Sabha Mallikarjun Kharge Friday alleged that the money had not been used for development and sought to know where it had gone.

***Ajay Bhushan Pandey takes over as Revenue Secretary***

**Nov 30, 2018**

UIDAI CEO Ajay Bhushan Pandey took over as the Revenue Secretary in the Finance ministry after Hasmukh Adhia retired on Friday. Pandey said his priority as the Revenue Secretary would be to increase tax compliance, stabilize the implementation of GST, and bring transparency and simplification of laws and procedures for better tax administration and ease of business.

***Middle-class laps up home loan subsidies***

**Nov 29, 2018**

The number of urban middle-class home buyers availing Centre's interest subsidy scheme to purchase or build their first home has more than doubled in the past eight months as compared to the 2017-18 financial year. According to estimates, the number of beneficiaries is likely to cross one lakh by March end.



Trying to get a common set of trading rules right down to very simple things like paperless customs arrangements and telecommunications services and all those things that will help lower the cost and increase the ease of doing business across the region.

— Andrew Robb —

AZ QUOTES