

## **Greetings!!!**

Ease of doing business is an index published by the World Bank. It is an aggregate figure that includes different parameters defining the ease of doing business in a country.

India has been placed at 130th position among the 190 countries in the recently released World Bank's Ease of Doing Business Index for the year 2017. The index was released as part of the World Bank's Annual Report Doing Business 2017: Equal Opportunity for All. Thus, India has improved its place by one spot in the 2017 index and its place remained unchanged from the previous original ranking of 130 in the year 2016. This marginal improvement came on the back of slight improvement in four indicators: getting electricity, enforcing contracts, trading across borders and registering property.

The country has embarked on a fast-paced reform path, and the Doing Business 2017 report acknowledges a number of substantial improvements. Electricity connections to businesses, paying taxes, electronic system for paying employee state insurance contributions, electronic filing of integrated customs declarations, the Companies (Amendment) Act, passage of the commercial courts and the Insolvency and Bankruptcy Code deserve special mention. The ranking of country is based on index averages of the country's percentile rankings on ten indicators, each having equal weightage. A higher ranking of country in this list means that its regulatory environment is more conducive and favourable for the starting and operation of firms.

Government's major initiatives towards ease of doing business in India:

### **Mudra Bank**

Allocation of 20,000 crore for Micro Units Development Refinance Agency (MUDRA) Bank for the SME sector, enhancing credit facility to boost the growth of small businesses and manufacturing units.

### **Ministry of Skill Development and Entrepreneurship**

By 2022, India has targeted to obtain skill development for about 500 million people, primarily through encouraging private players to provide viability gap funding and skill development programme initiatives. With this target in mind, and with the help of private players, it is ministries' role to enforce targets need to be achieved and also create an ecosystem that ensures ease of doing business and nurtures entrepreneurship by eliminating bottlenecks during the process.

### **AIM Platform: ATAL Innovation Mission (AIM)**

The 2015 budget has also established the AIM Platform or Atal Innovation Mission (AIM).

Atal Innovation Mission (AIM) including Self-Employment and Talent Utilization (SETU) is Government of India's endeavour to promote a culture of innovation and entrepreneurship. Its objective is to serve as a platform

for promotion of world-class Innovation Hubs, Grand Challenges, Start-up businesses and other self-employment activities, particularly in technology driven areas.

### **Corporate Tax to be reduced to 25%**

The 2017 Budget has announced the reduction of corporate tax rate from 30% to 25% for MSME units. It is expected that the reduction in corporate tax rate will lead to greater investment, higher growth and more jobs.

### **Passage of Insolvency and Bankruptcy Code**

The Insolvency and Bankruptcy Code (IBC), 2016 passed by the Parliament on 28th May 2016 is a welcome approach towards improvising the existing framework dealing with insolvency of corporate, individuals, partnerships and other entities. The Code consolidates the plethora of insolvency laws in India and brings them under one overarching umbrella. One of the fundamental features of the Code is that it allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms facilitating a formal and time bound insolvency resolution process and liquidation.

### **Easier processes for incorporation**

To make the process of registering and incorporating companies faster, the government has done away with the requirement of reserving a name, and integrated the processes related to allotment of Director Identification Number (DIN), appointment of directors etc in a single form (INC - 29) for incorporation of a company.

### **GST: One Nation, One Tax**

With the implementation of GST Law, a major milestone has been achieved towards ease of doing business. In the light of the above developments, industry would now need to analyze the provisions of the law in detail, and examine its impact on their business. This is essential to ensure that timely representations are made to the Government, as well as to identify key implementation requirements as part of the preparations for transition from the existing indirect tax regime to GST regime.

The focus of the 'ease of doing business policy' is mainly on cutting out the tedious documentation and unnecessary paper work and getting the work done in a shorter time span. It is now imperative to take steps to address the concerns and delays, to enable the industry to grow. This was a much needed step to simplify compliance and to make India more investor friendly.

This issue presents a good number of articles on the cover story theme 'Ease of doing business in India' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.

