

Info Capsule

INDIA'S RANK RISES TO 100 IN WORLD BANK'S DOING BUSINESS REPORT, 2018¹

The World Bank, today released the Doing Business (DB) Report, 2018. The Department of Industrial Policy and Promotion (DIPP) is pleased to announce that India ranks 100 among 190 countries assessed by the Doing Business Team. India has leapt 30 ranks over its rank of 130 in the Doing Business Report 2017.

The DB Report is an assessment of 190 economies and covers 10 indicators which span the lifecycle of a business. The table below provides a comparison of this year's and last year's report. India has improved its rank in 6 out of 10 indicators and has moved closer to international best practices (Distance to Frontier score). The credit for this significant improvement is credited to the mantra of "Reform, Perform, Transform" given by the Prime Minister, wherein a strong leadership has provided the political will to carry out comprehensive and complex reforms, supported by a bureaucracy committed to perform. The Government has undertaken an extensive exercise of stakeholder consultations, identification of user needs, government process re-engineering to match Government rules and procedures with user expectations and streamlined them to create a more conducive business environment. An extensive exercise is also undertaken to increase awareness among users about reforms to ensure extensive use of newly created systems.

This edition of the report acknowledges India as a top improver, with an improvement of 30 ranks compared to last year's report, the highest jump in rank of any country in the DB Report, 2018. India is the only country in South Asia and BRICS economies to feature among most improved economies of the DB Report this year.

Major achievements in the World Bank in the Doing Business Report

The important highlights of India's performance are:

1. **Resolving Insolvency -**
 - a. Rank improved from 136 to 103
 - b. Distance to Frontier (DTF) score improved from 32.75 to 40.75
 - c. Strength of insolvency framework index increased from 6 to 8.5
 - d. Insolvency & Bankruptcy Code created for efficient handling of restructuring & insolvency proceedings
 - e. Professional institutes set up for handling restructuring & insolvency proceedings
2. **Paying Taxes -**
 - a. Rank improved from 172 to 119
 - b. DTF score improved from 46.58 to 66.06
 - c. Payments reduced from 25 to 13 in a year
 - d. Time reduced from 241 to 214 hours
 - e. Total tax rate reduced from 60.6% to 55.3% (% of profit)

¹ Available at: <http://pib.gov.in/newsite/erelease.aspx>

- f. Post filing index improved from 4.3 to 49.31
- g. Enabled electronic registration, return & payment of ESI & EPF contributions
- 3. **Getting Credit** –
 - a. Rank improved from 44 to 29
 - b. DTF score improved from 65 to 75
 - c. Strength of legal rights index improved from 6 to 8
 - d. Credit bureau coverage increased from 21.4% to 43.5% (% of adults)
 - e. Increased coverage of security interest registration under SARFAESI Act
 - f. Secured creditors prioritized over Government dues for purposes of recovery
- 4. **Enforcing Contracts** -
 - a. Rank improved from 172 to 164
 - b. DTF score improved from 35.19 to 40.76
 - c. Cost reduced from 39.6% to 31% (% of claim)
 - d. Quality of judicial process index improved from 9 to 10.3
 - e. Dedicated commercial courts established
 - f. National Judicial Data Grid (NJDG) to monitor and manage court cases
- 5. **Protecting Minority Investors** –
 - a. Rank improved from 13 to 4
 - b. DTF score improved from 73.33 to 80
 - c. Strength of minority investor protection index increased from 7.3 to 8
 - d. Extent of conflict of interest regulation index increased from 6.7 to 7.3
 - e. Extent of shareholder governance index increased from 8 to 8.7
 - f. Greater transparency requirements for interested parties transactions
 - g. Greater shareholder protection through action against directors & claims for damages
- 6. **Construction Permits** -
 - a. Rank improved from 185 to 181
 - b. DTF score improved from 32.83 to 38.80
 - c. Procedures to obtain construction permits reduced from 35.1 to 30.1
 - d. Time reduced from 190.0 to 143.9 days
 - e. Cost reduced from 25.9 per cent to 23.2 per cent of warehouse value

COMPETITION COMMISSION OF INDIA (CCI) FINDS THE CONDUCT AND PRACTICE OF ALL INDIA FILM EMPLOYEES CONFEDERATION (AIFEC), FEDERATION OF WESTERN INDIA CINE EMPLOYEES (FWICE) & ITS AFFILIATES AND THREE PRODUCER ASSOCIATIONS I.E. INDIAN MOTION PICTURE PRODUCERS ASSOCIATION (IMPPA), FILM AND TELEVISION PRODUCERS GUILD OF INDIA (FTPGI) AND INDIAN FILM AND TELEVISION PRODUCERS COUNCIL (IFTPC) TO BE IN CONTRAVENTION OF COMPETITION LAW²

The Competition Commission of India (CCI) has found All India Film Employees Confederation (AIFEC), Federation of Western India Cine Employees (FWICE) & its affiliates and three producer associations *i.e.* Indian Motion Picture Producers Association (IMPPA), Film and Television Producers Guild of India (FTPGI) and Indian Film and Television Producers Council (IFTPC) to be in contravention of provisions of Section 3 of the Competition Act, 2002 (Act) which prohibits anti-competitive agreements.

The Final Order was passed on an information filed by Shri Vipul Shah who alleged that specific provisions of the MoU dated 01.10.2010 (**MoU**) signed between FWICE and producer associations *i.e.* IMPPA, FTPGI, and IFTPC relating to member-to-member working, fixation of wages, charging for extra-shift, *etc.* to be anti-competitive. The conduct of FWICE and its affiliated craft associations in enforcing these provisions was also alleged to be anti-competitive.

CCI found Clause 6, which mandated that the producer can only engage with the members of FWICE and its affiliates, and Clause 18, which provided for the constitution of vigilance committee to enforce Clause 6, of the MoU as violative of Section 3(3) (b) read with Section 3(1) of the Act. Further, the directive to engage dancers/fighters in the ratio of 70:30 was also found to be in contravention of Section 3(3)(c) read with Section 3(1) of the Act. Clauses relating to fixation of wages, payment for extra shift, *etc.* were not found to be anti-competitive.

CCI also noted in its order that trade unions enjoy no immunity or exemption for their conduct which contravenes the provisions of the Act and accordingly, the plea of the trade unions being governed only by the provisions of Trade Union Act, 1926 was rejected.

CCI has issued a cease and desist order against the associations in respect of the conduct found to be in contravention of the Act. However, no monetary penalty was imposed on any of the associations.

A copy of the order passed in Case No. 19 of 2014 under Section 27 of the Act has been uploaded on the website of CCI at www.cci.gov.in.

CBDT EXTENDS DUE DATE FOR FILING INCOME TAX RETURNS AND TAX AUDIT REPORTS³

On consideration of representations from various stakeholders for further extension of 'due date', being September 30, 2017 for those liable to file returns by 30.09.2017 and to facilitate ease of compliance by the taxpayers, CBDT has further extended the 'due-date' for filing Income Tax Returns and various reports of audit prescribed under the Income-Tax Act, 1961 pertaining to AY 2017-18 from October 31, 2017 to November 7, 2017 for all such taxpayers.

Team ICSI

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³ Available at: <http://pib.gov.in/newsite/erelease.aspx>