



Monthly Newsletter

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Shri Injeti Srinivas
Secretary, MCA

Secretary's Desk

The Corona virus pandemic has resulted in enormous economic disruption and human suffering. Taking cognizance of the difficulties faced by companies due to the ongoing nation-wide lock down due to COVID-19,

Ministry of Corporate Affairs (MCA) has taken several steps to ease the hardships faced by corporate in their operations. Notwithstanding the lock down, the Central Registry Centre at Manesar has been operational for fresh incorporation, name reservation, etc.

The MCA has eased rules concerning conduct of business by allowing conduct of Board meetings and EGM and AGM through Video Conferencing (VC) or other audio visual means (OAVM). At the same time, in order to protect the interests of minority investors, e-Voting facility has been made mandatory for all companies availing themselves of this facility. Companies have also been asked to issue a public notice to enable shareholders who have not registered their email addresses with the company to cast their vote through e-voting. Companies have also been asked to make honest efforts to encourage such shareholders to register their email address with the company. The compliance timelines have also been extended due to COVID 19, including of holding of AGM with respect to those whose financial year ended on 31st December 2019.

MCA provided clarification on eligibility of Corporate

Social Responsibility (CSR) expenditure related to COVID-19 activities. The major clarifications being: contributions made to 'PM CARES Fund' shall qualify as CSR expenditure; contributions made to State Disaster Management Authority to combat COVID-19 shall qualify as CSR expenditure; spending CSR funds for COVID-19 related activities shall qualify as CSR expenditure and payment of ex-gratia to daily wagers during the lockdown period shall qualify towards CSR expenditure.

The three professional institutes under the MCA namely, the Institute of Chartered Accountants of India, Institute of Company Secretaries of India and the Institute of Cost Accountants of India donated Rs 15 crore, Rs 5 crore and Rs 2.5 crore respectively to PM-CARES Fund for providing assistance to those impacted by the COVID-19 pandemic.

The Ministry has finalised guidelines to invite proposals for funding up to Rs. 50 lakh for undertaking researches in various topics based on the vast repository of corporate data contained in the MCA-21 registry for research and studies in corporate governance and other related topics. The research would be done under the Expert Committee constituted under the Chairmanship of Chief Economic Adviser. The indicative list of topics include developing of Corporate Governance Index (CGI), Bankruptcy prediction model, Related Party Transactions etc. Further details on these may be accessed at:

http://www.mca.gov.in/Ministry/pdf/news2_30042020.pdf http://www.mca.gov.in/Ministry/pdf/news1_30042020.pdf

Review of Corporate Sector:

As on 30.04.2020, the number of companies registered under the Companies Act was 1,999,190. Of these, 745,723 companies were closed, 6,652 companies were under liquidation, 43,325 companies are in the process of being struck-off from the register and 2,213 companies have so far obtained the "dormant" status according to Section 455 of the Companies Act, 2013. There are 1,201,277 active companies, including 178,968 companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

A total of 3,209 companies, including 227 One Person Companies (OPCs), were registered under the Companies Act, 2013 during April, 2020 with authorized capital of Rs. 1,429.75 Crore. The breakup of the newly incorporated companies by type is as follows:

Type of Company	No. of Companies registered in April, 2020	Total Authorized Capital (In Rs. Crore)
Company limited by shares	3,199	1429.74
Of which,		
(a) Private	3,103	310.56
Of which,		

One Person Companies	227	7.96
(b) Public	96	1119.18
Company limited by Guarantee	10	0.01
Of which,		
(a) Private	10	0.01
(b) Public	-	-
Unlimited Company	-	0.00
Grand Total	3,209	1429.75

During the Month of April 2020, Maharashtra had maximum number of company registrations (591) followed by Delhi (368) and Karnataka (350). "Business Services" topped the economic activity-wise classification (1,089) of newly registered companies.

During April 2020, 3,199 (out of 3,209) companies were registered as companies limited by shares with authorized capital of Rs. 1429.74 crores. For more statistical details about the growth of the corporate sector, the reader is invited to the 'Monthly Information Bulletin on Corporate Sector', at URL: mca.gov.in/MinistryV2/InformationBulletin.html.

MONTHLY MIS REPORT FROM COMPETITION COMMISSION OF INDIA

(As of April, 2020)

S. No.	Sections	Cases pending as on last day of previous month (A)	Cases received during the month (B)	Total Cases (A+B)	Net Cases pending with CCI for final disposal	Remarks	
1.	19	19(1)	46	00	46	}	
2.		19(1)(a)	94	00	94		@
3.		19(1)(b)	15	00	15		
4.	5 & 6	12	04	16	05	*	
4(a)	20(1)	01	00	01	01	**	
Total		168	04	172	161		

Cases remanded by COMPAT

5.	Remanded	11	00	11	11	
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Cases regarding contravention of orders of Commission

6.	Causing fresh inquiry	02	00	02	02	
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Notes and references:

- [*] Combination Cases filed u/s 5 & 6.
- [**] Combination Cases filed u/s 20(1).
- [] Out of 155 pending anti-trust cases, 69 cases are pending with DG and 86 cases (25 cases are at prima facie stage and 61 cases for hearing) are pending with CCI.

Major Event:

AMENDMENT TO THE COMPANIES ACT, 2013:-The Ministry is taking necessary action for amending the Companies Act, 2013 [CA-13] to implement the recommendations made by Company Law Committee (2019) to remove criminalization in 46 penal provision of the CA-13 as well as to facilitate ease of living to law abiding corporates. Approval of the Cabinet for such amendments in the CA-13 through Companies (Amendment) Bill, 2020 was obtained on 4th March, 2020. The said Bill was introduced in the Lok Sabha on 17th March, 2020. The Bill came up for discussion on 23rd March, 2020 but could not be considered and the House got adjourned sine die. The Bill is pending in the Lok Sabha. A copy of the Bill is available on the website of Lok Sabha and M/o Corporate Affairs. The Ministry is considering, subject to due approvals, promulgation of an Ordinance (Companies (Amendment) Ordinance, 2020) for implementing the amendments proposed through the Companies (Amendment) Bill, 2020. A Note in this regard has been forwarded to the Cabinet Secretariat on 27th April, 2020 for obtaining approval of the Cabinet.

Covid-19: Work@Home in IICA - Simply, there are two basic activities in government offices - meetings and paper disposal (e.g. files, policy-making). Additionally, a training institution may also engage in classroom learning and research. This article contains the outline of measures taken by the Indian Institute of Corporate Affairs (IICA) to ensure that the Institute works normally during the COVID 19 lockdown. The key learning for other institutions during lockdown are - anticipating and starting early, monitoring closely, using some relevant digital tools and tapping opportunities for transformation by making trade-offs, not possible in normal times.

IICA Knowledge Resource Centre has provided all the digital services uninterrupted during the COVID-19 Pandemic. Users are accessing the resources remotely with the RemoteXs facility.

Competition Commission of India, on 13.04.2020, announced a framework for lifting suspension of filings (resorted to in the wake of outbreak of COVID-1) by enabling the parties to file anti-trust cases electronically as also extending the scope of electronic filings for all merger cases which was earlier made available for Green

Channel notices. The Commission further allowed the parties to have pre-filing consultations for merger notifications through video conferencing from anywhere.

Notifications:-

Vide notification No.G.S.R 268(E)]dated 29th April, 2020, the Companies (Appointment and Qualification of Directors) Rules, 2014 have been amended to extend the period within which existing Independent Directors may apply(online) for inclusion of their names in the databank for Independent Directors by another two months (i.e. upto 30th June, 2020).

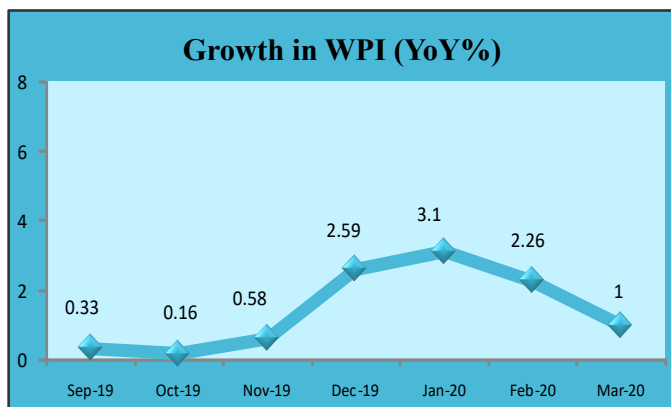
Circulars:-

- (i) Through the General Circular no. 14/2020 dated 08.4.2020 and General Circular no. 17/2020 dated 13.4.2020, the Ministry has issued clarifications with respect to passing of ordinary and special resolutions by companies under the Companies Act,2013 and rules made there under on account of the threat posed by Covid-19. The two circulars allow the holding of Extraordinary General Meetings (EGMs) through Video Conferencing (VC) and Other Audio Visual Means (OAVM) and also clarify the manner of issue of notices and procedure of voting in such EGMs.
- (ii) Through the General Circular no. 18/2020 dated 21.4.2020, the Ministry has allowed the companies whose financial year has ended on 31st December, 2019 to hold their Annual General Meeting for such financial year within a period of nine months from the closure of the financial year (i.e., by 30th September, 2020).
- (iii) Through the General Circular no. 19/2020 dated 30.4.2020, the Ministry has extended, by sixty more days, the time limit for filing of Form NFRA-2 (Annual Return to be filed by auditor with NFRA) for the reporting period financial year 2018-19.

Some Macro Indicators

Wholesale Price Index (WPI)

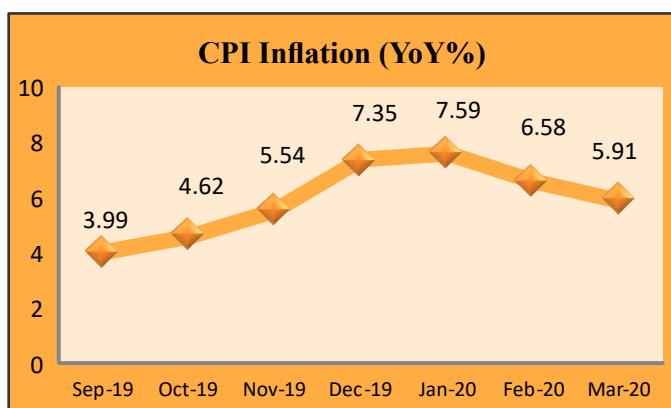
The annual rate of inflation, based on monthly WPI, stood at 1.00% (provisional) for the month of March, 2020 (over March, 2019) as compared to 2.26% (provisional) for the previous month and 3.10% during the corresponding month of the previous year.



Source: DIPP

Consumer Price Index (CPI)

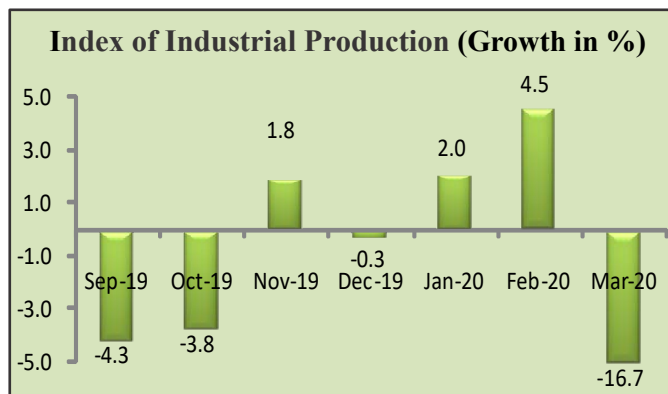
The CPI (Combined) on Base 2012=100 is being released for the month of March 2020. All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e., March, 2020 over March, 2019) given below:



Source: MOSPI

Index of Industrial Production

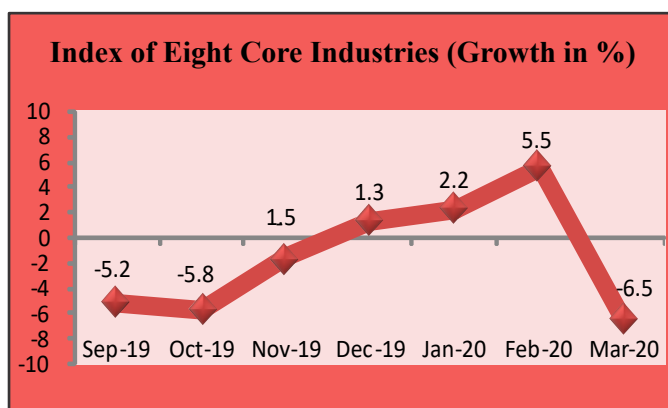
The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of March, 2020 stands at 120.1, which is 16.7 percent lower as compared to the level in the month of March, 2019.



Source: MOSPI

Index of Eight Core Industries

The combined Index of Eight Core Industries stood at 137.0 in March, 2020, which declined by 6.5 per cent as compared to the index of March, 2019.



Source: DIPP

Performance of Selected indicators of Listed Non-Government Non-financial Companies

Trends in the selected corporate performance indicators published by RBI of a sample of non-government non-financial listed companies sector wise for third quarter of FY 2019-20 is as below:

Indicator	Manufacturing	Services (Non IT)	IT
	Q3:2019-20 Y-o-Y Growth in Percent	Q3:2019-20 Y-o-Y Growth in Percent	Q3:2019-20 Y-o-Y Growth in Percent
No. of companies	1,713	495	166
Sales	-6.1	4.2	9.7
Operating Profits	-6.2	50.9	11.7
Other Income	-26.4	25.1	-12.0
EBITDA	-9.9	46.5	8.0
Depreciation	10.5	38.7	50.5
Gross Profits	-15.0	73.1	4.7
Interest	3.1	64.8	128.5
EBT	-19.3	\$	2.9
Tax Provision	-30.9	-20.8	6.6
Net Profits	-4.4	\$	9.2

Source: RBI