



# Monthly Newsletter

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Shri Injeti Srinivas  
Secretary, MCA

## Secretary's Desk

Taking forward the initiatives of Government of India towards Ease of Doing Business (EODB), the Ministry of Corporate Affairs would be shortly notifying & deploying a new Web Form christened 'SPICe+' (pronounced 'SPICe Plus') replacing the existing SPICe form. SPICe+ would be an integrated Web form offering multiple services viz. name reservation, incorporation, DIN allotment, mandatory issue of PAN, TAN, EPFO,

ESIC, Profession Tax (Maharashtra) and Opening of Bank Account. It will also facilitate allotment of GSTIN wherever so applied for by the Stakeholders. After deployment of SPICe+ web form, RUN shall be applicable only for change of name of existing companies. This would further simplify the procedural framework for the Corporate Sector.

The Ministry has notified rules for Winding Up of companies, making it easier for smaller firms to wind up businesses. The rules provide summary procedures for liquidation of companies with asset size of Rs 1 crore, which have not accepted deposits exceeding Rs 25 lakh and have turnover less than Rs 50 crore and total loan under Rs 25 lakh. The Central government will provide required approvals to such companies for winding up instead of the tribunal, which facilitates easier exit of small firms and de-burdening of NCLT to some extent.

In continuation of the sustained efforts towards improving the Insolvency and Bankruptcy Code (IBC), 2016, the Insolvency and Bankruptcy Board of India (IBBI) notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2020 on 6th January 2020. The amendment:

1. Clarifies that a person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of the corporate debtor, shall not be a party in any manner to a compromise or arrangement of the corporate debtor under section 230 of the Companies Act, 2013.
2. Clarifies that a secured creditor cannot sell or transfer an asset, which is subject to security interest, to any person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of the corporate debtor.
3. Provides that a secured creditor, who proceeds to realise its security interest, shall contribute its share of the insolvency resolution process cost, liquidation process cost and workmen's dues, within 90 days of the liquidation commencement date. It shall also pay excess of realised value of the asset, which is subject to security interest, over the amount of its claims admitted, within 180 days of the liquidation commencement date. Where the secured creditor fails to pay such amounts to the Liquidator within

90 days or 180 days, as the case may be, the asset shall become part of Liquidation Estate.

Furthering the cause of easing business procedures and regulations, the Insolvency and Bankruptcy Board of India (IBBI) has also notified the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2020 on 15th January, 2020. The aforesaid amendment provides that a Liquidator shall deposit the amount of unclaimed dividends, if any, and undistributed proceeds, if any, in a liquidation process along with any income earned thereon into the Corporate Voluntary Liquidation Account before submission of an application for dissolution of the corporate person. It also provides a process for a stakeholder to seek withdrawal from the Corporate Voluntary Liquidation Account.

In the spirit of enabling fair competition, the Competition Commission of India (CCI) released a Report titled 'Market Study on e-commerce in India: Key Findings and Observations' on 8th January, 2020. The Market Study on e-commerce in India study was initiated by the CCI in April 2019 with an objective to better understand the functioning of e-commerce in India and its implications for markets and competition, to identify impediments to competition, if any, emerging from e-commerce and to ascertain the Commission's enforcement and advocacy priorities in light of the same. The study has helped gather useful insights and information on the key features of e-commerce in India, the different business models of e-commerce players and the various aspects of commercial arrangements between market participants involved in e-commerce. The major findings of the study are:

1. The study has shown that the share of online distribution and its relative importance vis-à-vis traditional channels vary significantly across products. Such divergence constrains construction of a unified competition narrative.
2. The study also shows that along with increased price transparency and price competition, online commerce has lowered search cost for consumers and provided them with a wide array of alternatives to choose from owing to the search and compare functionalities of online platforms.
3. The report identifies key trends and also discusses the issues that may, directly or indirectly, have a bearing on competition, or may hinder realisation of the full pro-competitive potential of e-commerce, such as lack of platform neutrality, unfair platform-to-business contract terms, exclusive contracts between online marketplace platforms and sellers/service providers, platform price parity restrictions and deep discounts.

The insights gained from the study will inform antitrust enforcement in these markets. The report also enumerates certain areas for self-regulation by the e-commerce marketplace platforms, which have been advocated with a view to reduce information asymmetry and promote competition.

## Review of Corporate Sector:

A. As on 31.01.2020, the number of companies registered under the Companies Act was 19,79,469. Of these, 7,42,819 companies were closed, 6,516 companies were under liquidation, 41,458 companies are in the process of being struck-off from the register and 2,147 companies have so far obtained the "dormant" status according to Section 455 of the Companies Act, 2013. There are 11,86,529 active companies, including 1,92,303 companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

B. A total of 12,749 companies, including 813 One Person Companies (OPCs), were registered under the Companies Act, 2013 during January, 2020 with authorized capital of Rs. 2,119.21 Crore. The breakup of the newly incorporated companies by type is as follows:

Type of Company	No. of Companies registered in January, 2020	Total Authorized Capital (In Rs. Crore)
Company limited by shares	12,686	2119.19
Of which,		
(a) Private	12,326	1943.60
Of which,		

One Person Companies	813	26.93
(b) Public	360	175.59
Company limited by Guarantee	63	0.02
Of which,		
(a) Private	58	0.02
(b) Public	5	-
Unlimited Company	-	0.00
<b>Grand Total</b>	<b>12,749</b>	<b>2119.21</b>

C. During the Month of January 2020, Maharashtra had maximum number of company registrations (2,437) followed by Delhi (1,588) and Uttar Pradesh (1,260). "Business Services" topped the economic activity-wise classification (4,039) of newly registered companies.

D. During January 2020, 12,686 (out of 12,749) companies were registered as companies limited by shares with authorized capital of Rs. 2,119.19 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](http://mca.gov.in/MinistryV2/InformationBulletin.html).

## MONTHLY MIS REPORT FROM COMPETITION COMMISSION OF INDIA

(As on January, 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(1)	45	01	46	46	}
2.	19(1)(a)	94	04	98	94	
3.	19(1)(b)	18	00	18	18	
4.	6(2)	05	05	10	07	
5.	6(5)	-	-	-	-	
6.	20(1)	-	-	-	-	
<b>Total</b>		<b>162</b>	<b>10</b>	<b>172</b>	<b>165</b>	

### Cases remanded by COMPAT

7.	Remanded	10	-	10	10	
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### Cases regarding contravention of orders of Commission

8.	Causing fresh inquiry	02	02	02	01	
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#### Notes and references:

1. [ ] Out of 158 anti-trust cases 76 cases are pending with DG and 82 cases (24 cases are at prima facie stage and 58 cases for hearing) are pending with CCI.



## Major Event:

The Indian Institute of Corporate Affairs (IICA) in association with the Department of Public Enterprises (DPE) organized a two-day orientation programme for govt. nominee Directors of CPSEs on 10-11 January, 2020 at Varanasi, Uttar Pradesh.

School of Finance, IICA has successfully conducted One Training of Trainer (ToT) programme for the shortlisted Resource Persons (RPs) during the month of January, 2020 in New Delhi. The programme was attended by 86 participants comprising of RPs from SEBI, ICAI, retired bankers, SHGs, academicians and working and non-working women.

The Regional Awareness Workshops on National CSR Awards 2020 was organized on 24th January 2020 in New Delhi with the support of ASSOCHAM as a Workshop partner. About 60 participants from 40 different companies and other nominating organizations from the Northern region, interested to apply for National CSR Awards 2020 participated.

## Notifications:-

- (i) The Ministry vide notification no. G.S.R. No. 13(E) dated 03.01.2020 has amended Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Through the said amendment every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more shall be required to annexed with its Board report, a secretarial audit report given by a company secretary in practice. Further, threshold for paid up capital for appointment of a whole time Company Secretary in a private company has been enhanced from 5 crore rupees to 10 crore rupees.
- (ii) The Ministry vide notification no. G.S.R. No. 46(E) dated 24.01.2020 has notified the Companies (Winding Up) Rules, 2020. The said rules shall apply to winding up under Companies Act, 2013.

- (iii) The Ministry vide notification no. G.S.R. No. 59(E) dated 24.01.2020 has extended the provisions of Section 460 of Companies Act, 2013 to a Limited Liability Partnership.
- (iv) The Ministry vide notification no. G.S.R. No. 60(E) dated 30.01.2020 has notified the Companies (Accounts) Amendment Rules, 2020. These rules require every Non-Banking Financial Company (NBFC) complying with Indian Accounting Standards (Ind AS), shall file the financial statements with Registrar together with e-Form AOC-4 NBFC (Ind AS), and the consolidated financial statement, if any, with e-form AOC-4 CFS NBFC (Ind AS).

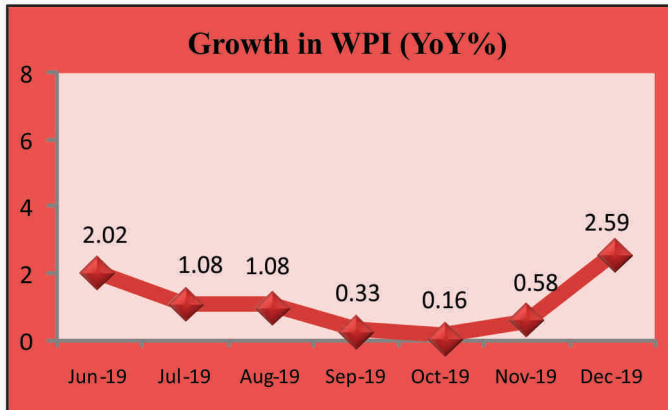
## Circulars:-

- (i) Through the General Circular No. 1/2020 dated 01.01.2020, the Ministry has extended the last date of filing e-forms no. BEN-1 and BEN-2, without payment of additional fees till 31.03.2020.
- (ii) Through the General Circular No. 02/2020 dated 30.01.2020, the Ministry has extended the last date of filing of AoC-4 NBFC (Ind AS) and AoC-4 CFS NBFC (Ind AS) for all eligible companies for the financial year 2018-19, without payment of additional fees till 31.03.2020.
- (iii) Through the General Circular No. 03/2020 dated 31.01.2020, the Ministry has extended the last date of filing e-forms AOC-4, AOC-4 (CFS) AOC-4 XBRL and e-form MGT-7 till 31.03.2020, for companies having jurisdiction in the UT of J&K and UT of Ladakh without levy of additional fee.

## Some Macro Indicators

### Wholesale Price Index (WPI)

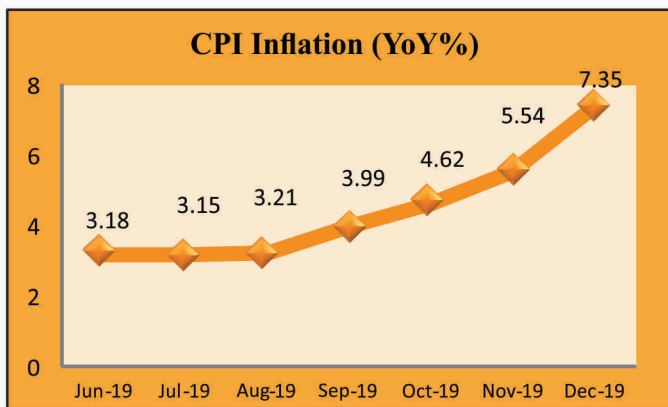
The annual rate of inflation, based on monthly WPI, stood at 2.59% (provisional) for the month of December, 2019 (over December, 2018) as compared to 0.58% (provisional) for the previous month and 3.46% during the corresponding month of the previous year.



Source: DIPP

### Consumer Price Index (CPI)

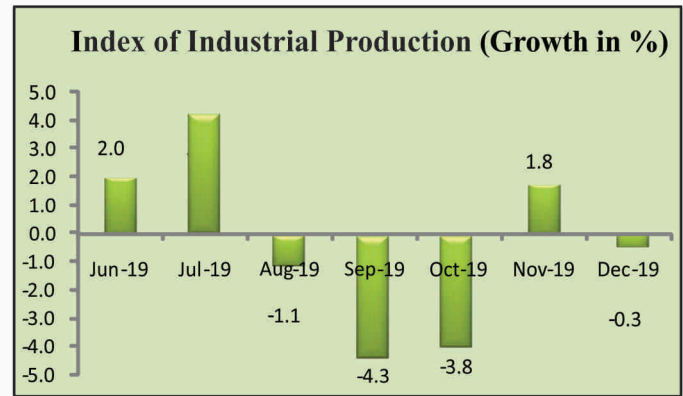
The CPI (Combined) on Base 2012=100 is being released for the month of December 2019. All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e., December 2019 over December 2018) is given below:



Source: MOSPI

### Index of Industrial Production

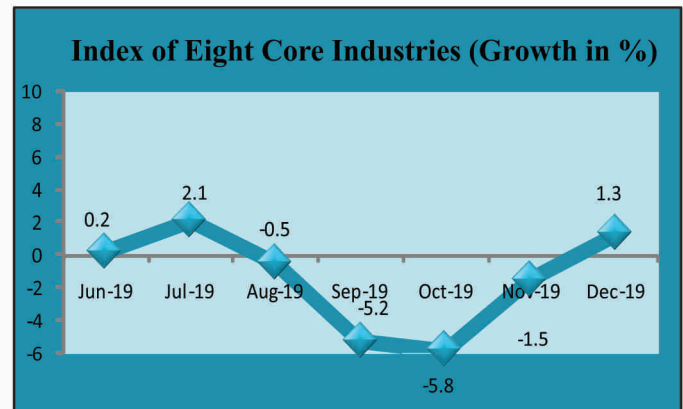
The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of December, 2019 stands at 133.5, which is -0.3 percent lower as compared to the level in the month of December 2018.



Source: MOSPI

### Index of Eight Core Industries

The combined Index of Eight Core Industries stood at 133.2 in December, 2019, which increased by 1.3 per cent as compared to the Index of December, 2018.



Source: DIPP

### Performance of Selected indicators of Listed Non-Government Non-financial Companies (in Percent)

Trends in the selected corporate performance indicators (published by RBI) of a sample of non-government non-financial listed companies for the Second Quarter of 2019-20 is as below:

Indicators		Q2:2018-19	Q2:2019-20
No. of Cos.		2,700	2,696
Components of Expenditures to Sales	Cost of Raw Materials to Sales	52.4	49.8
	Staff Cost to Sales	10.1	11.5
Profit Allocation Ratios	Interest Burden	22.5	30.8
	Tax Provisions to EBT	24.9	15.9
	Other Income to Net Profit	50.6	103.9
Profitability Ratios	Operating Profits to Sales	14.7	12.3
	EBITDA to Sales	18.4	16.3
	EBIT to Sales	14.8	11.7
	Net Profit to Sales	7.3	3.8

Source: RBI