



Monthly Newsletter

VOLUME - 25 November - 2019



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Secretary, MCA

Secretary's Desk

The Government of India has established the Investor Education and Protection Fund Authority (IEPFA) under the provisions of Companies Act, 2013 to promote investors' education, awareness and protection apart from making refunds of shares, unclaimed dividends, matured deposits/debentures to the investors. It also strives to provide investors with requisite knowledge and skills pertaining to investor education and protection. The Authority has migrated from manual procedure for refund of claims to online process. Till November 2019, as many as 5000 claims have been approved by the Authority and shares/dividend amounting to the tune of Rs. 210 crore (market value) have been released to the claimants. As part of its efforts to consistently strive towards its mandate of enhancing investor awareness, IEPFA has entered into a Memorandum of Understanding (MoU) with CSC e-Governance Services India Ltd., Ministry of Electronics and Information Technology (MeitY) to organize Investor Awareness Programmes (IAPs) in rural areas of the country through Common Service Centres (CSCs). During the current and next financial year, it is proposed to conduct around 15000 Investor Awareness programmes (IAPs) in 117 Aspirational Districts through CSCs. Also, the Authority has collaborated with Department of Telecom for spreading awareness amongst the retired/retiring employees of Department of Telecom and its PSUs. Towards this, a MoU has been signed by the Authority with the Dept. of Telecom under which customized Investor Awareness sessions are conducted from time to time. On 20th November, 2019, a Call Centre with Helpline No. 1800-114-667 has been inaugurated in order to facilitate the investors with smooth information flow that helps speeding up the process of addressing the queries of claimants. The Help Line will facilitate callers in tracking the status of their refund claims.

Citizens can also report a suspicious claim on the Help Line and, the application developed by CSC will also record and maintain calls received on various forms i.e. from Company and Claimants.

In a major development, MCA has notified the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 on 15th November, 2019. It provides a generic framework for insolvency and liquidation proceedings of systemically important Financial Service Providers (FSPs) other than banks. The special framework provided under Section 227 of the Code for FSPs is essentially aimed at serving as an interim mechanism to deal with any exigency pending introduction of a full-fledged enactment to deal with financial resolution of Banks and other systemically important FSPs. Under the amended law, the resolution process can only be initiated by the regulator, the Reserve Bank of India (RBI). This is a departure from key aspects of the IBC which allows any creditor of a company to initiate the insolvency process as long as they can prove that there has been a default by the company.

The Company Law Committee was constituted by the Ministry of Corporate Affairs in September, 2019, to further decriminalize the provisions of the Companies Act, 2013 based on their gravity and to take other concomitant measures to provide further Ease of Living for corporates in the country. The report of the Committee was presented to the Union Minister of Corporate Affairs, Smt. Nirmala Sitharaman on 18th November, 2019. The Committee took note of the progress made consequent to the Companies (Amendment) Act, 2019, which had resulted in decriminalization of 16 minor procedural/technical lapses under the Companies Act, 2013 into 'civil wrongs', and adopted a principle based approach to further remove criminality, in case of defaults which can be determined objectively and which, otherwise, lack the element of fraud or do not involve larger public interest. Alternative methods of imposing sanctions have also been explored and recommended by the Committee, in some cases.

Review of Corporate Sector:

A. As on 30.11.2019, the number of companies registered under the Companies Act was 1,954,812. Of these, 732,631 companies were closed, 6,478 companies were under liquidation, 48,374 companies are in the process of being struck-off from the register, 69 companies were in the process of being re-activated and 2,104 companies have so far obtained the "dormant" status according to Section 455 of the Companies Act, 2013. There are 1,165,156 active companies, including 184,284 companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

B. A total of 10,607 companies, including 687 One Person Companies (OPCs), were registered under the Companies Act, 2013 during November, 2019 with authorized capital of Rs. 1975.07 Crore. The breakup of the newly incorporated companies by type is as follows:

Type of Company	No. of Companies registered in November, 2019	Total Authorized Capital (In Rs. Crore)
Company limited by shares	10,550	1975.07
Of which,		
(a) Private	10,258	1834.08
Of which,		

One Person Companies	687	21.57
(b) Public	292	140.99
Company limited by Guarantee	57	0.01
Of which,		
(a) Private	57	0.01
(b) Public	-	-
Unlimited Company	-	0.00
Grand Total	10,607	1975.08

C. During the Month of November, 2019, Maharashtra had maximum number of company registrations (1,907) followed by Delhi (1,259) and Uttar Pradesh (1,024). "Business Services" topped the economic activity-wise classification (3,279) of newly registered companies.

D. During November 2019, 10,550 (out of 10,607) companies were registered as companies limited by shares with authorized capital of Rs. 1,975.08 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 on November, 2019)

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)	59	00	59	58	} @
2.	19(1)(a)	85	05	90	89	
3.	19(1)(b)	17	01	18	18	
4.	5 & 6	11	05	16	06	*
4(a)	20(1)	01	00	01	00	**
Total		173	11	184	171	

Cases remanded by COMPAT

5.	Remanded	10	-	10	10	
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Cases regarding contravention of orders of Commission

6.	Causing fresh inquiry	02	02	02	01	
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Notes and references:

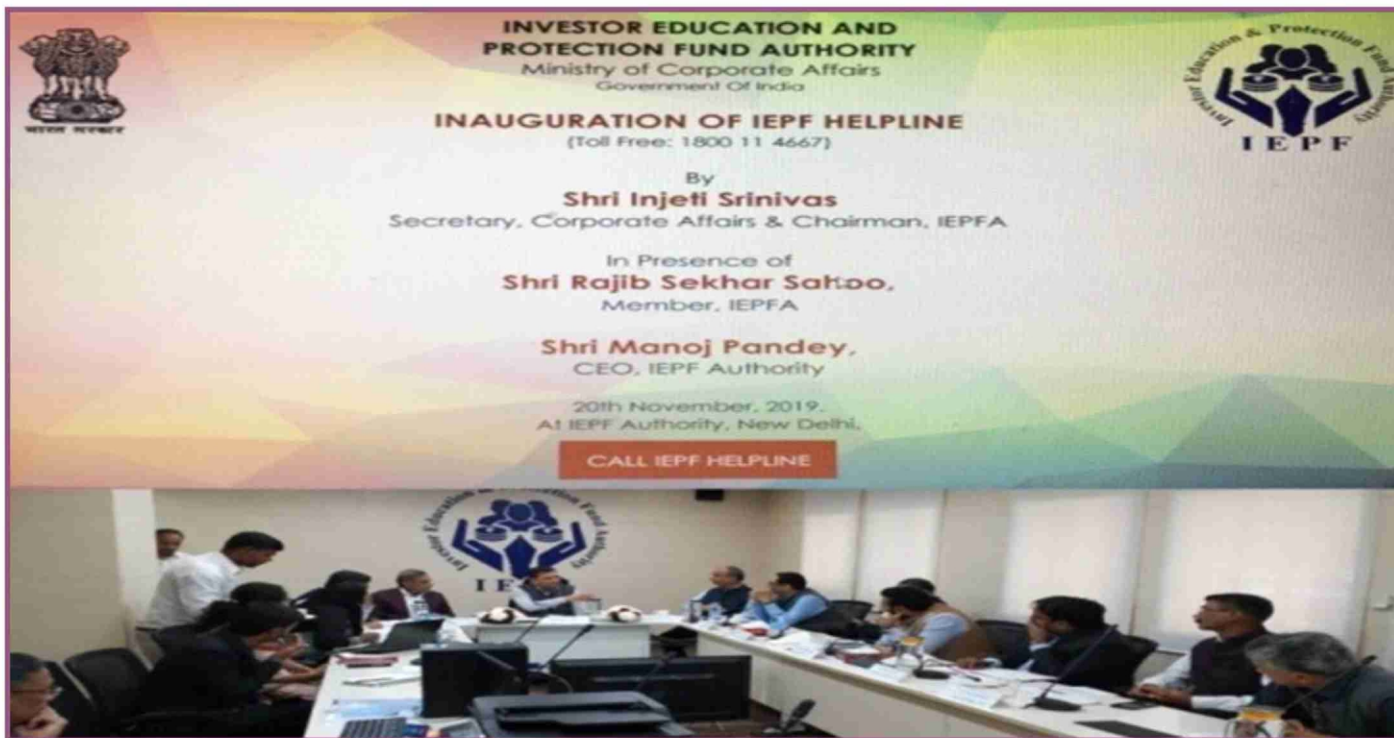
- [*] Combination Cases filed u/s 5 & 6.
- [**] Combination Cases filed u/s 20(I).
- [] Out of 161 anti-trust cases 73 cases are pending with DG and 88 cases (19 cases are at prima facie stage and 69 cases for hearing) are pending with CCI.

Major Event:

The IEPF Authority Call Centre with Help Line No. 1800-114-667 was successfully inaugurated on 20th November, 2019. The Help Line will facilitate callers in tracking the status of their claims refund. Citizens can also report a suspicious claim on Helpline number. A revamped IEPF portal at www.iepfportal.in, which has a user-friendly interface for various stakeholders for gaining

information is one of the initiatives taken by the Government in addressing the investor protection related issues.

The Indian Institute of Corporate Affairs in association with the Ministry of Corporate Affairs (MCA) concluded a two-day training programme for the Officers of MCA and its attached offices on 14th November – 15th November, 2019 in NLSIU, Bangalore.



Secretary, MCA inaugurating the IEPF Authority Call Centre with Helpline No. along with Shri Dinesh Kumar Tyagi, CEO, CSC e-Gov

Notifications:-

- With a view to rationalize and harmonize the provisions on approval of related party transactions and provide ease of compliance on such matter, the Companies (Meetings of Board and its Powers) Rules, 2014 have been amended on 18.11.2019. With such objective, the reference to "absolute amounts" appearing in rule 15(3) of such Rules has been omitted. (Notification No.G.S.R.857 (E), dated 18.11.2019).
- The Ministry amended Schedule VII of Companies Act, 2013 vide notification in the Gazette through notification no. G.S.R. 776(E), dated the 11th October, 2019. A corrigendum to the same was issued vide notification no. G.S.R. 859(E) dated 19th November, 2019 wherein at page 2, in line 14, for "Defence Research and Development Organisation (DRDO)", read "Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT),".

Circulars:-

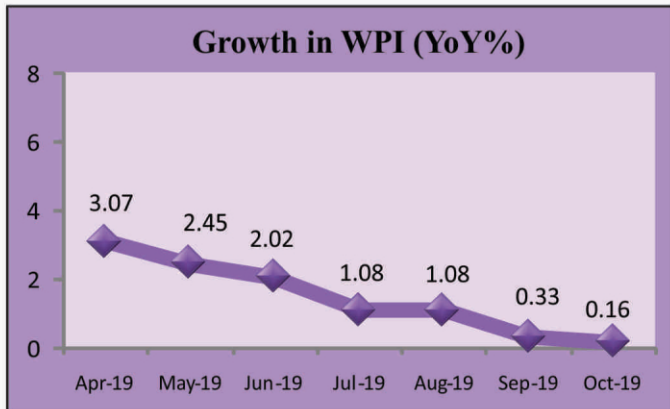
- Vide General Circular No.14/2019 dated 27.11.2019 the time limit for filing Form NFRA-2 (Annual return to be filed by auditor with the National Financial Reporting Authority) has been extended by 90 days from the date of deployment of the form on the website of NFRA.

- Vide General Circular No.15/2019 dated 28.11.2019 the Ministry has extended the due date for filing of e-forms AOC-4, AOC-4(CFS), AOC-4 XBRL and e-form MGT-7 upto 31.1.2020, for companies having jurisdiction in the UT of J&K and UT of Ladakh without levy of additional fee.
- Vide General Circular No.16/2019 dated 28.11.2019 the time limit for filling Form PAS-6 (Reconciliation of Share Capital Audit Report) for the half year ending on 30.9.2019 has been extended by 60 days from the date of deployment of the form on the website of the Ministry.
- In line with the Government's objective of promoting Ease of Living in the country by providing Ease of Doing Business to law abiding corporate, fostering improved corporate compliance for stakeholders at large and also to address emerging issues having impact on the working of corporates in the country, a Company Law Committee (CLC) was constituted by Ministry of Corporate Affairs vide order dated 18.9.2019 for examining and making recommendations to the Government on such matters. The Committee examined various issues and submitted its report on 18.11.2019. The Report of CLC is under examination and the Ministry of Corporate Affairs is taking necessary action for amending the Companies Act, 2013 to implement the recommendations made therein.

Some Macro Indicators

Wholesale Price Index (WPI)

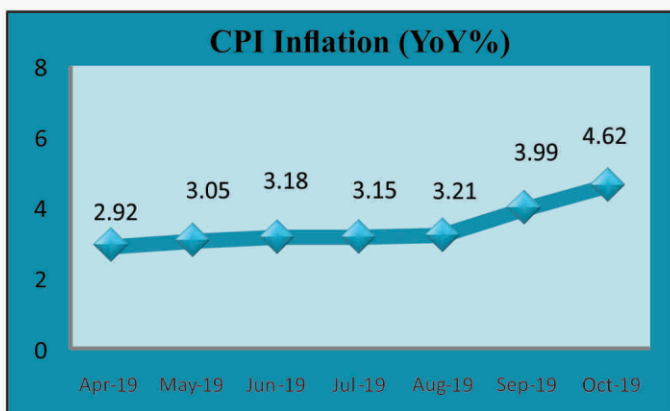
The annual rate of inflation, based on monthly WPI for October 2019 stood at 0.16% compared to 5.54% during the corresponding month of the previous year, October 2018.



Source: DIPP

Consumer Price Index (CPI)

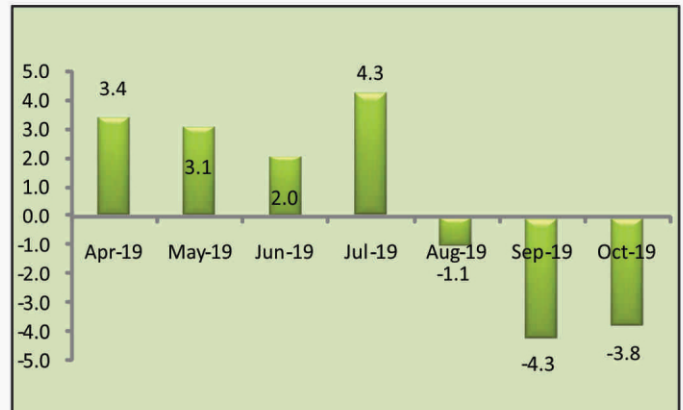
The CPI (Combined) on Base 2012=100 is being released for the month of October 2019. All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e., October 2019 over October 2018) given below:



Source: MOSPI

Index of Industrial Production

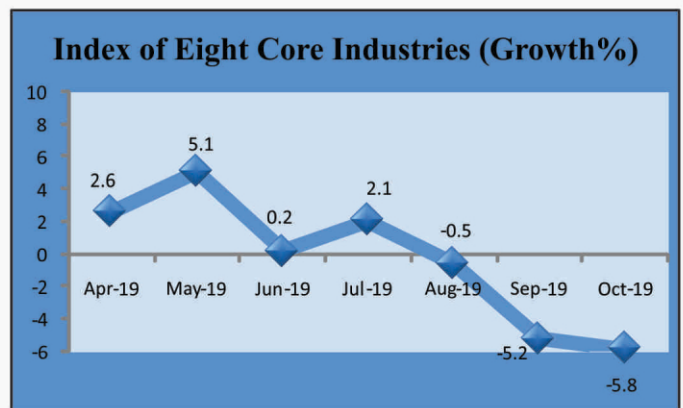
The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of October 2019 stands at 127.7, which is -3.8 percent lower as compared to the level in the month of October 2018.



Source: MOSPI

Index of Eight Core Industries

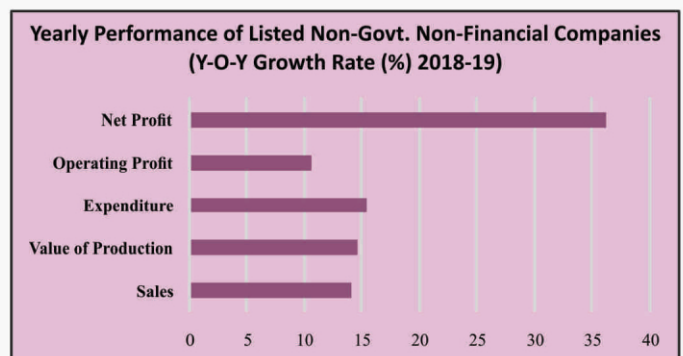
The combined Index of Eight Core Industries stood at 120.6 in October, 2019, which declined by -5.8 per cent as compared to the index of October, 2018.



Source: DIPP

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

Yearly Trends in the selected corporate performance indicators published by RBI of a sample of non-government non-financial listed companies for the year 2018-19 as below:



Source: RBI