



Monthly Newsletter

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Secretary's Desk

As we start a new year, I would like to share with you some of the important initiatives taken by our Ministry during the past year. In pursuance to the objective of providing greater "Ease of Doing Business", bringing out greater transparency in corporate structure and fostering better Corporate Compliance to enhance the efficiency of the

processes under Companies Act, 2013, the Ministry of Corporate Affairs (MCA) has taken several noteworthy initiatives/decisions. India has improved its ranking from 77th position to 63rd position in the World Bank's "Doing Business" 2020 report. India's leap of 14 ranks in the Ease of Doing Business ranking is significant considering that there has been continuous improvement since 2015 and for the third consecutive year India is amongst the top 10 improvers. Also, MCA has contributed towards Insolvency Resolution which can be seen in the latest report in the Resolving Insolvency Index where India's ranking jumped 56 places to 52 in 2019 from 108 in 2018. Recovery rate of the defaulted debt increased from 26.5% in 2018 to 71.6% in 2019 and time taken in recovery improved from 4.3 years in 2018 to 1.6 years in 2019.

Throughout the year MCA has been bringing key changes in the corporate sector like:

(i) Introduction of Integrated Incorporation Form – a Simplified Proforma for Incorporating Company Electronically (SPICE) which extends over 8 different services from three Ministries in a single form; **(ii)** De-criminalization of technical & procedural violations under Companies Act was implemented which resulted in reducing the burden on criminal courts & NCLT by shifting 16 offences sections to monetary penalty regime vide Companies (Amendment) Bill, 2019; **(iii)** Government Process Re-Engineering by Introducing "RUN – Reserve Unique Name" web service for name reservation for companies & LLPs, Re-engineering the Process of allotment of Director Identification Number (DIN), Zero MCA fee for company incorporation up to Rs 15 lakh authorized capital; **(iv)** Revised De-Minimis exemption under Competition Act 2002 for speeding up Mergers & Acquisitions of companies in the country; **(v)** Introduction by CCI of an automatic system of approval for

Combinations under Green Channel; **(vi)** Exemptions from various provisions of Companies Act to Private companies, Government Companies, Charitable companies, Nidhis and IFSC (GIFT city) companies; **(vii)** Provisions relating to issue of shares with Differential Voting Rights (DVRs) modified; **(viii)** Enabling provisions with regard to Mediation and Conciliation under the Companies Act, 2013 enforced; **(ix)** Harmonising norms with SEBI by reducing the time limits of public offers so that investors get securities within three days of application instead of earlier six days; **(x)** Provisions relating to creation of Debenture Redemption Reserve (DRR) revised with the objective of deepening the bond market & reducing the cost of capital by removing the requirement for creation of a DRR of 25% of the value of outstanding debentures both for public issue as well as private placements in respect of listed companies, NBFCs registered with RBI and for Housing Finance Companies registered with National Housing Bank (NHB). Also, reduction in DRR for unlisted companies from the present level of 25% to 10% of the outstanding debentures; **(xi)** Extension of Central Registration Centre at Indian Institute of Corporate Affairs (IICA), Manesar for incorporation of Limited Liability Partnership (LLPs); **(xii)** Also, Companies (Adjudication of Penalties) Rules amended making the process transparent and non-discretionary. During the last three years more than 1,25,000 companies have been incorporated every year in the country in this manner, as compared to 50,000-60,000 companies in earlier years; **(xiii)** In addition to the above systemic changes, the National CSR Awards was instituted to recognize corporate excellence in the area of CSR and the First National CSR Awards ceremony was held on 29th October, 2019 wherein Hon'ble President of India conferred the awards to the selected companies for their outstanding contribution in the area of CSR; **(xiv)** Independent Director's Databank and assessment module was also launched to provide an easy to access & navigate platform for the registration of existing Independent Directors as well as individuals aspiring to become Independent Directors. **(xv)** So also, a Call Centre with Helpline No. 1800-114-667 was inaugurated by Investor Education and Protection Fund Authority (IEPFA) in order to facilitate the investors with smooth information flow that helps speeding up the process of addressing the queries of claimants, besides many other initiatives.

I am sure we will strive towards excellence in the coming year too to promote ease of entry, operation and exit for companies and LLPs.

Review of Corporate Sector:

As on 31.12.2019, the number of companies registered under the Companies Act was 19,66,551. Of these, 7,40,354 companies were closed, 6,498 companies were under liquidation, 42,033 companies are in the process of being struck-off from the register, 68 companies were in the process of being re-activated and 2,109 companies have so far obtained the "dormant" status according to Section 455 of the Companies Act, 2013. There are 11,75,489 active companies, including 1,87,299 companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

A total of 12,057 companies, including 809 One Person Companies (OPCs), were registered under the Companies Act, 2013 during December, 2019 with authorized capital of Rs. 1,887.21 Crore. The breakup of the newly incorporated companies by type is as follows:

Type of Company	No. of Companies registered in December, 2019	Total Authorized Capital (In Rs. Crore)
Company limited by shares	11,983	1,887.00
Of which,		
(a) Private	11,695	1,749.06
Of which,		

One Person Companies	809	27.47
(b) Public	288	137.94
Company limited by Guarantee	74	0.21
Of which,		
(a) Private	72	0.21
(b) Public	2	-
Unlimited Company	-	-
Grand Total	12,057	1,887.21

During the Month of December 2019, Maharashtra had maximum number of company registrations (2,161) followed by Delhi (1,362) and Uttar Pradesh (1,158). "Business Services" topped the economic activity-wise classification (3,665) of newly registered companies.

During December 2019, 11,983 (out of 12,057) companies were registered as companies limited by shares with authorized capital of Rs.1,887.00 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 December, 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)	58	00	58	45	}	
2.	19(1)(a)	89	05	94	94		@
3.	19(1)(b)	18	00	18	18		
4.	5 & 6	06	10	16	05	*	
4(a)	20(1)	-	00	01	00	**	
Total		171	15	186	162		

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 157 anti-trust cases 73 cases are pending with DG and 84 cases (26 cases are at prima facie stage and 58 cases for hearing) are pending with CCI.

Major Event:

Decriminalizing the offences under the Companies Act, 2013

In line with the Government's objective of promoting Ease of Living in the Country by providing Ease of Doing Business to lawabiding corporate, fostering improved corporate compliance for stakeholders at large and also to address emerging issues having impact on the working of corporate in the country, Company Law Committee was constituted by M/o Corporate Affairs vide order dated 18.9.2019 for examining and making recommendations to the Government on such matters. The Committee examined various issues under the Companies Act, 2013(CA-13) and submitted its report to the Hon'ble Corporate Affairs Minister on 18.11.2019. The recommendations of the Committee, inter alia, include modifications w.r.t. decriminalizing more compoundable offences under CA-13. The Committee has also made important recommendation to include the provisions of Part IX A (Producer Companies) of the Companies Act, 1956 in the Companies Act, 2013 so that present gap in the Companies Act, 2013 is plugged and measures for promotion of farmer producer companies could be taken more effectively. The committee has also suggested other measures for providing ease of compliance to one person companies, start-ups, small companies and farmer producer companies.

The Ministry has initiated the action to propose amendments to be Companies Act, 2013 to implement the aforesaid recommendation of the Company Law Committee.

Centre for Business and Human Rights, IICA has organized a Pan-India series National Workshop on Responsible Business Conduct in Bhubaneswar, Delhi, Mumbai, Bangalore, and Chennai with more than 100 participants representing businesses, academic experts, business chambers, international

and regional organizations. The workshop was centered around newly developed guidelines called the National Guidelines on Responsible Business Conduct (NGRBC) released by the MCA, together with IICA, in March of 2019.

"As a part of ongoing process for selection of 6 posts of Judicial Member, NCLT and 5 posts of Technical Member, NCLT, interaction with candidates from west zone, were held in Mumbai on 28th and 29th December, 2019".

Notifications:-

- The Ministry has amended the earlier notification published vide no. S.O. 1796 (E) dated 18.05.2016 and amended the jurisdiction of Courts of Additional Sessions Judges Anti-corruption, Jammu and Srinagar to Union territory of Jammu and Kashmir. (Notification No. S.O. 4569 (E), dated 19.12.2019).
- The Ministry vide notification no. S.O. 4570 (E) dated 19.12.2019 has designated the Special Courts in the State of Uttarakhand and Union territories of Jammu and Kashmir and Ladakh for speedy trial of offences mentioned under section 435(2) (a) and (b) of the Companies Act, 2013. (Notification No. S.O. 4570 (E), dated 19.12.2019).

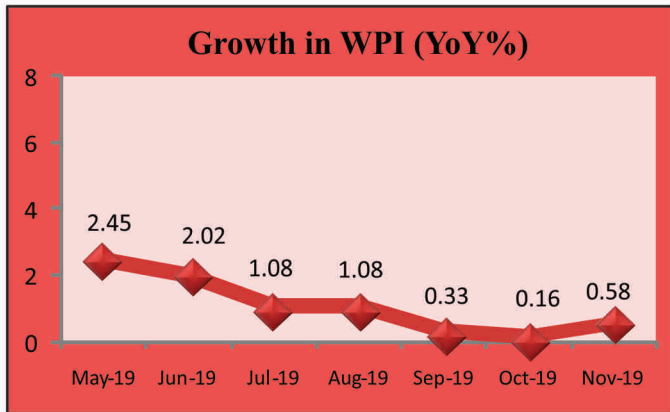
Circulars:-

- Vide General Circular No.17/2019 dated 30.12.2019 the Ministry has further extended the last date of filing Form CRA-4 (cost audit report) with relaxation of additional fees, for the Financial Year 2018-19 till 29th February, 2020 on account of several representations received from various stakeholders seeking extension of last date for filing Form CRA-4 (cost audit report).

Some Macro Indicators

Wholesale Price Index (WPI)

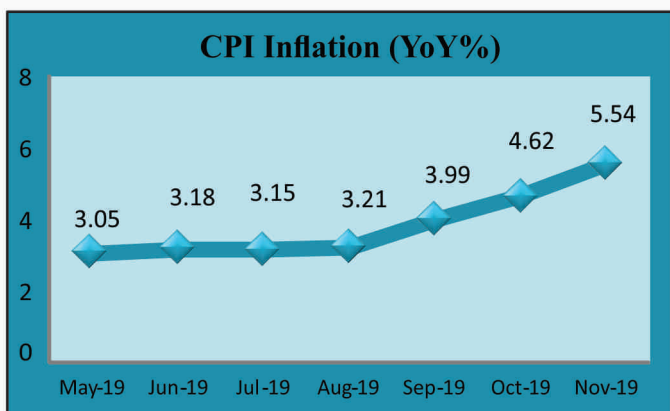
The annual rate of inflation, based on monthly WPI, stood at 0.58% for the month of November, 2019 as compared to the corresponding month of the previous year, November 2018.



Source: DIPP

Consumer Price Index (CPI)

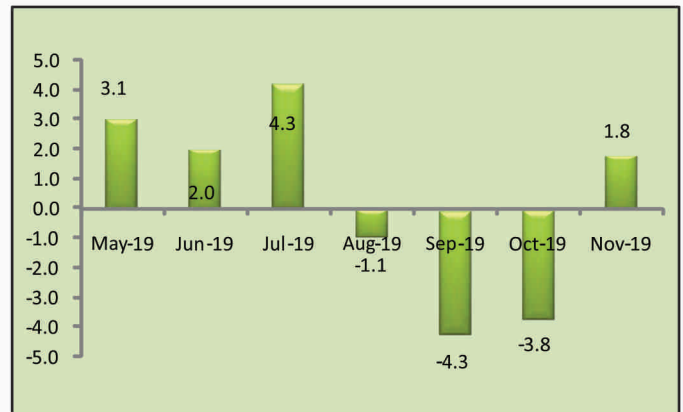
The CPI (Combined) on Base 2012=100 is being released for the month of November 2019. All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e., November 2019 over November 2018) given below:



Source: MOSPI

Index of Industrial Production

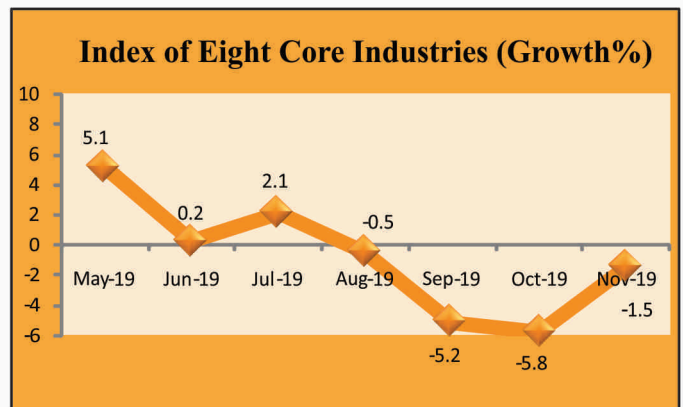
The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of November, 2019 stands at 128.4, which is 1.8 percent lower as compared to the level in the month of November 2018.



Source: MOSPI

Index of Eight Core Industries

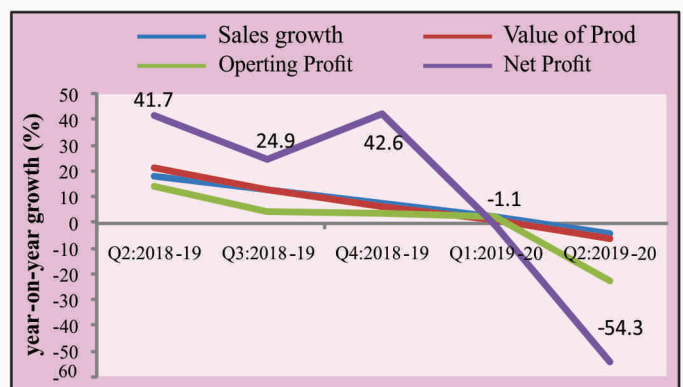
The combined Index of Eight Core Industries stood at 126.3 in November, 2019, which declined by 1.5 per cent as compared to the index of November, 2018.



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 as below:



Source: RBI