



# Monthly Newsletter

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## Secretary's Desk

The Prime Minister has laid down the vision of India becoming a five trillion economy by 2025. Ministry of Corporate Affairs (MCA) is committed to building a healthy corporate sector in India which will translate into stronger

growth, higher investment and improved opportunities for all. Economic Survey 2018-19 cites Insolvency and Bankruptcy Code (IBC) as "one of the most important economic reforms of recent times".

Since enactment of the IBC, India has significantly improved its "Resolving Insolvency" ranking from 134 in 2014 to 108 in 2019. India also won the Global Restructuring Review (GRR) award that recognizes the jurisdiction which improved its restructuring and insolvency regime the most over the last year. RBI and banks have openly recognized the efficacy of IBC in resolving corporate insolvency and reducing NPAs. Thus, the IBC is steadily improving the lending ecosystem in the country and the repayment behaviour of borrowers.

IBC has been amended twice since its inception according to address the evolving needs of all the stakeholders. Globally, corporates and businesses conduct business and own assets over multiple jurisdictions. Recently, India has also initiated the steps to adopt the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency. Globally, the UNCITRAL Model Law has emerged as the most widely accepted legal

framework to deal with cross-border insolvency issues and legislation based on the Model Law has been adopted in 44 countries in a total of 46 jurisdictions.

The Model Law deals with four major principles of cross-border insolvency – direct access to foreign insolvency professionals and foreign creditors to participate in domestic insolvency proceedings against a defaulting debtor, recognition of foreign proceedings and provision of remedies, cooperation between domestic and foreign courts and domestic and foreign insolvency practitioners, and coordination between two or more concurrent insolvency proceedings in different countries. Its adoption shall enable India to align with global best practices in insolvency resolution and liquidation. The Model Law will go a long way in boosting foreign investment and will be a significant positive signal to global investors, creditors, governments, international organizations as well as multinational corporations with regard to the robustness of India's financial sector reforms. The Insolvency Law Committee has given its recommendations on adopting the Model Law with some carve outs to give precedence to domestic proceedings and protect domestic interest. The introduction of cross border insolvency will make foreign investment in India more attractive and promote mechanism for international cooperation between courts, insolvency professionals to facilitate cross border resolution, including effective conduct of concurrent proceedings.

The Ministry is preparing a vision document and five-year plan to align its plans and priorities with the overarching vision of Government to make India a 5 trillion economy by 2025.

## Review of Corporate Sector:

As on 31st May, 2019 the number of companies registered under the Companies Act was 1,894,146. Of these 683,317 companies were closed, 6,450 were under liquidation, 35,442 companies are in the process of being struck-off from the register, 93 Companies were in the process of being re-activated and 1,778 companies have so far obtained the "dormant" status according to Section 455 of the Companies Act, 2013. There are 1,167,064 active companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

A total of 11,281 companies, including 700 One Person Companies (OPCs), were registered under the Companies Act, 2013 during May, 2019 with authorized capital of Rs.2278.76 Crore. The breakup of the newly incorporated companies by type is as follows:

Type of Company	No. of Companies registered in May, 2019	Total Authorized Capital (In Rs. in Crores)
Company limited by shares	11,231	2278.75
Of which,		
(a)Private	10,256	1456.93
Of which,		

One Person Companies	700	24.80
(b)Public	273	79.70
Company limited by Guarantee	50	-
Of which,		
(a)Private	49	0
(b)Public	1	-
(c) Unlimited Company	-	-
<b>(d) Grand Total</b>	<b>11,231</b>	<b>2278.76</b>

During the Month of May, 2019, Maharashtra had maximum number of company registrations (2,081) followed by Delhi (1,423) and Uttar Pradesh (1,125). "Business Services" topped the economic activity-wise classification (3,710) of newly registered companies.

During May,2019, 11,231 (out of 11,281) companies were registered as companies limited by shares with authorized capital of Rs.2278.76 crore. 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 June-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)	88	-	88	88	#
2.	19(1)(a)	88	03	91	87	@
3.	19(1)(b)	13	-	13	13	
4.	5 & 6	08	06	14	09	*
<b>Total</b>		<b>197</b>	<b>9</b>	<b>206</b>	<b>197</b>	

### Cases remanded by COMPAT

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

6.	Causing fresh inquiry	01	-	01	01
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1. [#] Split cases:

(a) Suo-Moto Case No. 07/2014 is segregated in to 02 sub cases w.e.f. August 2016 to facilitate exploration of investigation by DG.

(b) Suo-Moto Case No. 02/2015 is segregated in to 66 sub cases w.e.f. July 2016 to facilitate exploration of investigation by DG.

2. [\*] Combination Cases filed u/s 5 & 6.

3. [ ] Out of 188 anti-trust cases 83 cases are pending with DG and 105 cases (20 cases are at prima facie stage and 85 cases for hearing) are pending with CCI.



## Major Events

### MCA-SEBI MOU

A Memorandum of Understanding (MOU) was signed between the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) for data exchange between the two regulatory organizations on 7th June, 2019.



*In the picture: Shri KVR Murty, Joint Secretary, MCA (Left) and Smt. MadhabiPuriBuch, Whole Time Member, SEBI (Right)*

The MoU comes into force from the date it was signed and is an ongoing initiative of MCA and SEBI, who are already collaborating through various existing mechanisms. A Data Exchange Steering Group also has been constituted for the initiative, which will meet periodically to review the data exchange status and take steps to further improve the effectiveness of the data sharing mechanism. The MoU marks the beginning of a new era of cooperation and synergy between the two regulators.

### IICA-RBI MoU

Indian Institute of Corporate Affairs (IICA) entered into a MoU on 21st June, 2019 with the Reserve Bank of India (RBI) to establish a Professorial Chair (RBI Chair) at the institute. The proposed chair is intended to advance thought leadership and research in the area of 'Corporate Affairs and Financial Stability' and allied subjects with the objective of supporting the Reserve Banks' decision making process on policies.

IICA in association with the Investor Education and Protection Fund Authority (IEPFA) organized a workshop with the theme "India: roadmap to Financial Capability" on 21st June, 2019 at the IEPFA premises in New Delhi.

The Competition Commission of India (Commission) has published the order approving the acquisition of electrical and automation (EA) business of Larsen & Toubro Limited (L&T) by Schneider Electric India Private Limited (Schneider) and MacRitchie Investments Pte. Ltd. (MacRitchie).

The Competition Commission of India (CCI) is conducting a

Market Study on E-commerce in India ('Study'). In view of the rapid growth of electronic commerce ('e-commerce') and the rising importance of online trade in a large number of goods and services in India, the study will allow the CCI to develop a better understanding of the functioning of e-commerce in the country and its implications for markets and competition.

### Notifications:-

Vide G.S.R.411(E) dated 7th June,2019 the Ministry has issued the Companies (Incorporation) Sixth Amendment Rules, 2019. Through this notification, in rule 19, in sub-rule (1), for the words, letters and figures "Form No.INC-12", the words, letters and figures "Form INC-32 (SPICe)" has been substituted. Accordingly, as per the amended rules, application for incorporation of Section 8 Company along with application for license for such Company will now be submitted in Form INC-32 (SPICe) instead of INC-12. However, application for Section 8 license for an existing Section 8 company will continue to be in Form INC-12. The rules will be effective from 15th August, 2019.

### Circulars:-

The Ministry vide Circular No.07/2019 dated 27th June, 2019, to amend the relevant rules to provide a simple and user-friendly web service for annual KYC by directors as well as for the date extension for filing full KYC was informed. The changes in the relevant rules are under examination and would be notified shortly.

Call for research proposals for funding under research component of the central plan scheme CDM on the following topics from outside agencies regarding to carry out a study to "assess the likely impact of the IBC Code on the MSME Sector" under the "Funding Research and Studies, Workshops and Conferences etc." a component part of a Central Sector Plan Scheme, titled "Corporate Data Management".

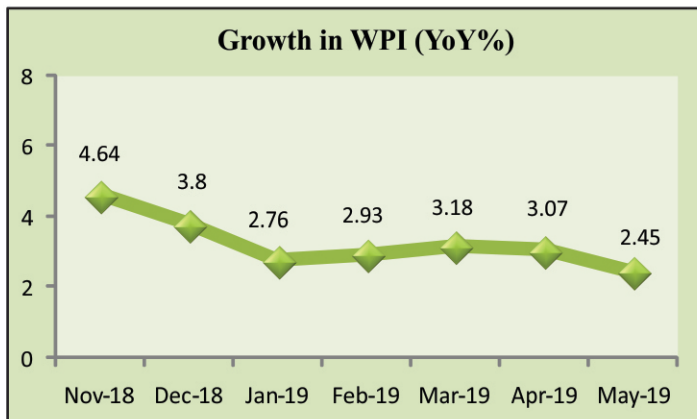
### Note:

- (i) Details of application for funding of research proposals can be seen at Guidelines for funding research and studies, workshops and conferences etc. under the plan scheme "Corporate Data Management" on the MCA's website ([www.mca.gov.in](http://www.mca.gov.in)) at Annexure-I of [http://www.mca.gov.in/Ministry/pdf/GuidelinesMCA\\_final\\_12022018.pdf](http://www.mca.gov.in/Ministry/pdf/GuidelinesMCA_final_12022018.pdf).
- (ii) This notice can also be seen at Notice and Circulars section on the MCA's website at the following link [http://www.mca.gov.in/Ministry/pdf/CDMNoticeGuidelines\\_10042018.pdf](http://www.mca.gov.in/Ministry/pdf/CDMNoticeGuidelines_10042018.pdf).
- (iii) Research proposals may be sent at [cdm.research@mca](mailto:cdm.research@mca).

## Some Macro Indicators

### Wholesale Price Index (WPI)

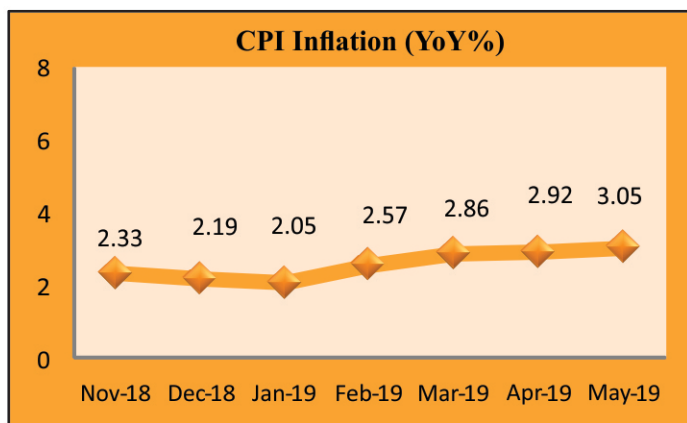
The annual rate of inflation, based on monthly WPI, stood at 2.45% (provisional) for the month of May, 2019 (over May, 2018) as compared to 3.07% (provisional) for the previous month and 4.78% during the corresponding month of the previous year.



Source: DIPP

### Consumer Price Index (CPI)

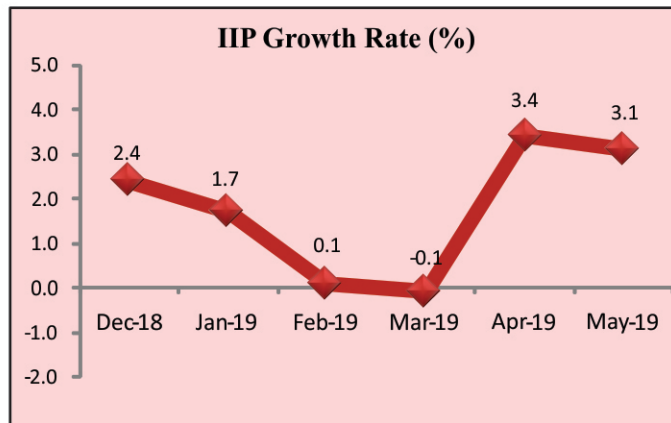
The CPI (Combined) on Base 2012=100 is being released for the month of May 2019. All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e., May 2019 over May 2018) given below:



Source: MOSPI

### Index of Industrial Production

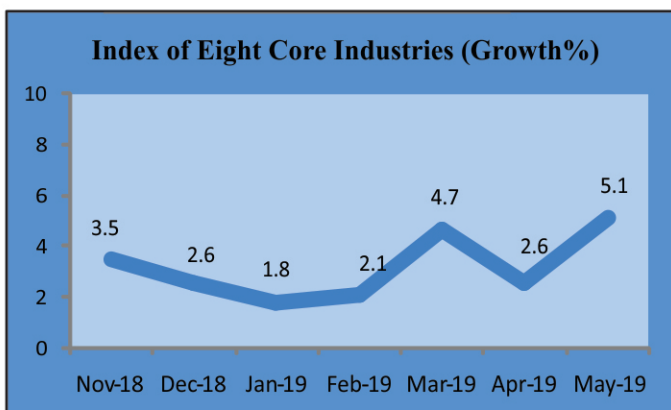
The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of May 2019 stands at 133.6, which is 3.1 percent higher as compared to the level in the month of May 2018.



Source: MOSPI

### Index of Eight Core Industries

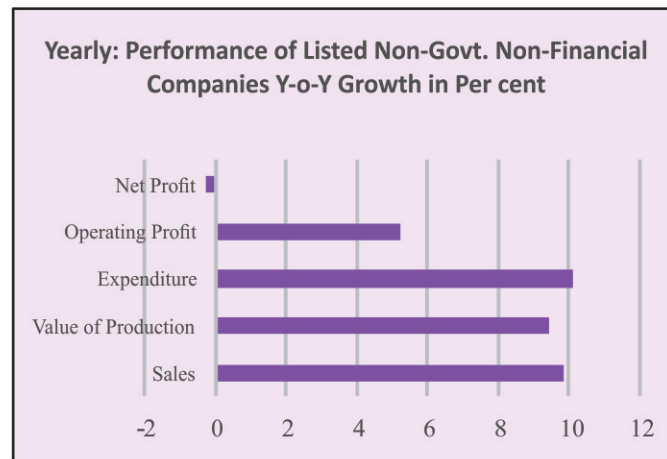
The combined Index of Eight Core Industries stood at 138.7 in May, 2019, which was 5.1 per cent higher as compared to the index of May, 2018.



Source: DIPP

### Yearly Performance 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 year 2017-18 as below:



Source: RBI