



Monthly Newsletter

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Secretary's Desk

To pursue robust self-governance mechanism and strengthen the practicing side of company secretaries, an initiative in the form of a Unique Document Identification Number (UDIN) has been rolled out. It provides ease of maintaining register of attestation and certification services to prevent counterfeiting of various attestations and certifications besides

ensuring compliance with regard to ceilings on the number of certifications and attestations.

The Ministry is considering to enhance the powers of Regional Directors to consider Mergers and Acquisitions (M&As) proposals to reduce the burden on the National Company Law Tribunals (NCLTs). Currently, Regional Directors are only authorized to approve M&As for small companies and those between a parent and a subsidiary company under Section 233 of the Companies Act.

Towards speedening the Corporate Insolvency Resolution process and remaining certain ambiguities the Parliament has during the Monsoon Session approved changes in the Insolvency and Bankruptcy Code (IBC). The bankruptcy law will enforce a strict 330-day timeline for the completion of insolvency resolution process, including any legal challenges, and uphold secured creditors' priority right on the sale or liquidation proceeds of bankrupt companies.

IBBI has notified regulations related to IBBI (Insolvency Professionals) (Amendment) Regulation, 2019 under which an insolvency professional shall not accept or undertake any assignment as interim resolution professional, resolution professional, liquidator, bankruptcy trustee, authorised representative or in any other role under the Insolvency and bankruptcy Code, 2016 unless he holds an 'Authorisation for Assignment' issued by his Insolvency Professional Agency. This will be effective from 1st January, 2020. An insolvency professional shall not engage in any other employment when he holds an Authorisation for Assignment or when he is undertaking an assignment. Where an insolvency professional has conducted a corporate insolvency resolution process, he and his relatives shall not accept any employment, other than an employment secured through open competitive recruitment, with, or render professional services, other than services under the Code to a creditor having more than ten percent voting

power, the successful resolution applicant, the corporate debtor or any of their related parties, until a period of one year has elapsed from the date of his cessation from such process.

IBBI has notified regulations related to IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2019 under which an Insolvency Professional Agency shall issue/renew an Authorisation for Assignment to insolvency professionals in accordance with its Bye-laws. Subject to meeting other requirements, an insolvency professional shall be eligible to obtain an Authorisation of Assignment if he has not attained the age of seventy years. Subject to meeting other requirements, an individual may serve as an independent director on the Governing Board of an Insolvency Professional Agency up to the age of seventy-five years.

IBBI has notified regulations related to IBBI (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2019 under which the process for withdrawal of applications before constitution of Committee of Creditors (CoC), after constitution of CoC but before issue of invitation for expression of interest, and after issue of invitation for expression of interest has been specified. Also, while approving a resolution plan or deciding to liquidate the corporate debtor, the CoC may approve a plan providing for contribution for meeting the liquidation costs, recommend sale of the corporate debtor or sale of business of the corporate debtor as a going concern and fix, in consultation with the RP, the fee payable to the liquidator, if an order for liquidation is passed by the Adjudicating Authority.

IBBI has notified regulations related to IBBI (Liquidation Process) (Amendment) Regulations, 2019 under which the process for (i) sale of corporate debtor as going concern, and (ii) sale of business of corporate debtor as going concern under liquidation has been specified. Completion of liquidation process within one year of its commencement, notwithstanding pendency of applications for avoidance transactions is required. It also specifies a maximum time of 90 days from the order of liquidation for completion of compromise or arrangement, if any, proposed by the stakeholders under section 230 of the Companies Act, 2013. This will ensure that liquidation process is closed at the earliest. Also it is required that the financial creditors, who are financial institutions, to contribute towards the liquidation cost, where the corporate debtor does not have adequate liquid resources to complete liquidation, in proportion to the financial debts owed to them by the corporate debtor, in case the CoC did not approve a plan for such contribution during corporate insolvency resolution process.

Review of Corporate Sector:

As on 30.06.2019, the number of companies registered under the Companies Act was 19,04,449. Of these, 6,85,426 companies were closed, 6,403 companies were under liquidation, 41,057 companies are in the process of being struck-off from the register, 78 companies were in the process of being re-activated and 1,945 companies have so far obtained the "dormant" status according to Section 455 of the Companies Act, 2013. There are 11,69,540 active companies, including 1,83,890 companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

A total of 9,619 companies, including 577 One Person Companies (OPCs), were registered under the Companies Act, 2013 during June, 2019 with authorized capital of Rs. 1,265.78 Crore. The breakup of the newly incorporated companies by type is as follows:

Type of Company	No. of Companies registered in June, 2019	Total Authorized Capital (In Rs. in Crores)
Company limited by shares	9,566	1,265.67
Of which,		
(a) Private	9,289	1,095.58
Of which,		

One Person Companies	577	18.86
(b) Public	277	170.09
Company limited by Guarantee	53	0.10
Of which,		
(a) Private	48	0.10
(b) Public	5	0.00
Unlimited Company	-	-
Grand Total	9,619	1,265.77

During the Month of June 2019, Maharashtra had maximum number of company registrations (1,783) followed by Delhi (1,105) and Uttar Pradesh (1,006). "Business Services" topped the economic activity-wise classification (2,967) of newly registered companies. During June 2019, 9,566 (out of 9,619) companies were registered as companies limited by shares with authorized capital of Rs. 1265.67 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 July-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	02	90	90	#
2.	19(1)(a)	87	04	91	86	@
3.	19(1)(b)	13	01	14	14	
4.	5 & 6	09	06	15	12	*
Total		197	13	210	202	

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 190 anti-trust cases 81 cases are pending with DG and 109 cases (18 cases are at prima facie stage and 91 cases for hearing) are pending with CCI.

Senior level appointment

Shri L.R. Meena was appointed as Director of Inspection and Investigation (DII) in the office of Director General of Corporate Affairs (DGCoA), New Delhi w.e.f. 11th July, 2019

Major Events

The Insolvency and Bankruptcy (Amendment) Bill, 2019 has been passed by Rajya Sabha on 25th July, 2019 and by Lok Sabha on 1st August, 2019 to fill critical gaps in the corporate insolvency resolution frame work as enshrined in the Insolvency and Bankruptcy Code (Code) and remove certain doubts and ambiguities that have arisen In order to ensure desired outcomes of the Code.

The Indian Institute of Corporate Affairs (IICA) launched the Foundation batch of the Graduate Insolvency Programme on 8th July, 2019, inaugurated by Dr. M.S.Sahoo, Chairperson, IBBI Insolvency Bankruptcy Board of India (IBBI) Dr. Sameer Sharma, DG&CEO, IICA and Shri Sumant Batra, International Insolvency Expert.

Special session on “Negotiation” were taken by Prof Ylli Dautaj, commercial Lawyer from London practicing law in U.K. and Europe for the GIP students from 22nd July to 27th July, 2019.

Notifications:-

- (i) Vide G.S.R. 466(E) dated 1st July, 2019 the Ministry, has amended the Companies (Significant Beneficial Owners) Rules, 2018 for substituting the Form No. BEN-2.
- (ii) Vide S.O.2269 (E) dated 1st July, 2019, the Ministry, has issued a notification for commencement of the provisions of section 81 of the Companies (Amendment) Act, 2017, corresponding to section 406 of the Companies Act, 2013 pertaining to Nidhi companies. The said commencement will take effect from 15th August, 2019.
- (iii) Vide G.S.R. 467(E) dated 1st July, 2019, the Ministry has made certain amendments in the Nidhi Rules, 2014, including prescription of e-form NDH-4 for making an application to the Central Government for declaration of a Nidhi. This notification shall be effective from 15th August, 2019.
- (iv) Vide S.O.2564(E) dated 17th July, 2019, the Ministry has designating the Court of District Judge-1 and Additional Sessions Judge, Pune as Special Court in the State of Maharashtra under Section 435 of the Companies Act, 2013 for the purposes of providing speedy trial of offences punishable with imprisonment of two years or more under the said Act.
- (v) Vide G.S.R. 527(E) dated 25th July, 2019, the Ministry has issued notification for amending the Companies (Registration Offices and Fees) Rules, 2014 for amending fee for filing e-form DIR-3 KYC or DIR-3 KYC-WEB under rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014 and made the fee payable till 30th September, 2019 as NIL and thereafter Rs.5000/.

- (vi) Vide S.O. 2650(E) dated 25th July, 2019, the Ministry has made amendment in the earlier notification no. S.O.831 (E) dated 24.3.2015 for substituting the words “Registrar of Companies, Guwahati” for the words “Registrar of Companies, Shillong” in Table, against s.no. 11, in the third column under the heading “Designation”.
- (vii) Vide S.O.2651 (E) dated 25th July, 2019, the Ministry has issued notification for establishing the office of the Registrar of Companies at Guwahati consequent to relocation of the said office from Shillong. The said office shall have territorial jurisdiction in whole of the States of Assam, Meghalaya, Manipur, Tripura, Mizoram, Nagaland and Arunachal Pradesh. The said Notification also appointed the Registrar of Companies at Guwahati for the purpose of registration of companies and discharging the function under the aforesaid act in the said States.
- (viii) Vide S.O. 2652 (E) dated on 25th July, 2019, the Ministry has amended the earlier notification no. G.S.R. 832(E) dated 3rd November, 2015 for substituting the word “Guwahati” for the word “Shillong” in the Table, against serial number (6), in column(1).
- (ix) Vide G.S.R. 528(E) dated 25th July, 2019, the Ministry has amended the Companies (Appointment and Qualification of Directors) Rules, 2014 for extending the date of filing of e-form DIR-3-KYC and for providing a web-service DIR-3-KYC-WEB to be used by individuals who have filed e-form DIR-3-KYC for the previous financial year.

Companies (Amendment) Act, 2019

- (i) The Companies (Amendment) Second Ordinance, 2019 was promulgated by Honourable President on 21st February, 2019 (effective from 2nd November, 2018) to plug the critical gaps in the Companies Act, 2013 and also to facilitate ease of doing business and strengthen the corporate compliance management.
- (ii) In order to replace the Companies (Amendment) Second Ordinance, 2019, the Companies (Amendment) Bill, 2019 was introduced in the Lok Sabha. This Bill was considered and passed by the Lok Sabha on 26th July, 2019 and by the Rajya Sabha on 30th July, 2019. The Honourable President assented the Bill on 31st July, 2019 and accordingly, the Companies (Amendment) Act, 2019 has been published in the Gazette on the said date. The Amendment Act has been placed on the Ministry's website.

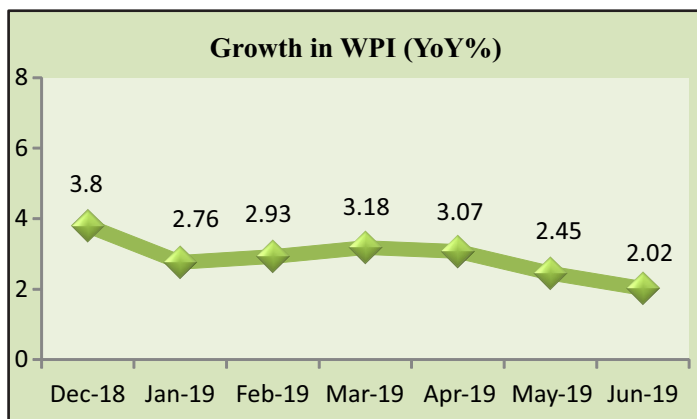
Circulars:-

- (I) In view of several representations regarding extension of the last date for filing of e-Form No.BEN-2 without additional fees on account of Companies (Significant Beneficial Owners) Second Amendment Rules, 2019 was notified vide G.S.R. No. 446 (E) dated 1st July, 2019, a General Circular was issued on 29th July, 2019 for extending the time limit for filing e-form No.BEN-2 upto 30th September, 2019 without payment of additional fee and thereafter fee and additional fee shall be payable.

Some Macro Indicators

Wholesale Price Index (WPI)

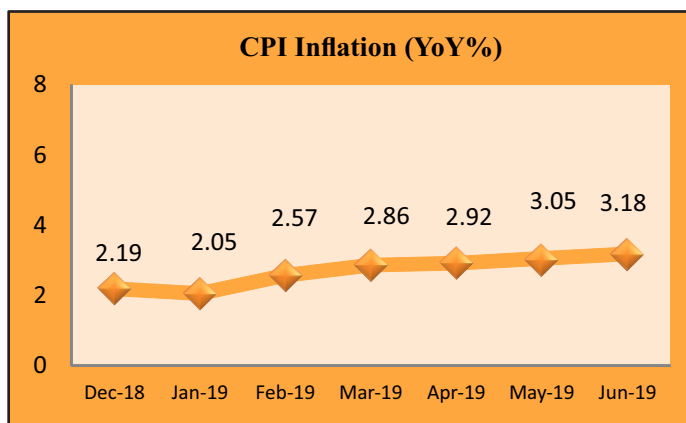
The annual rate of inflation, based on monthly WPI, stood at 2.02% (provisional) for the month of June, 2019 (over June, 2018) as compared to 2.45% (provisional) for the previous month and 5.68% during the corresponding month of the previous year.



Source: DIPP

Consumer Price Index (CPI)

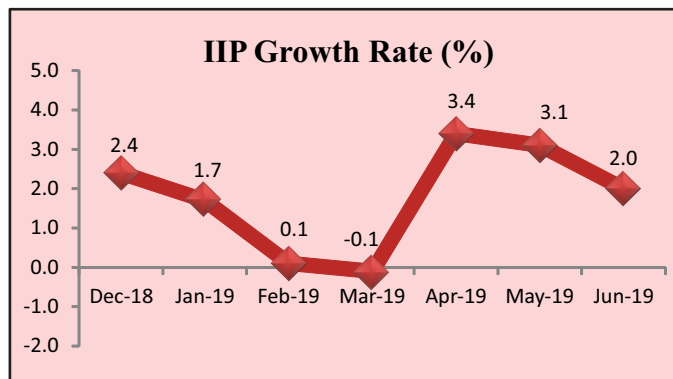
The CPI (Combined) on Base 2012=100 is being released for the month of June 2019. All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e., June 2019 over June 2018) given below:



Source: MOSPI

Index of Industrial Production

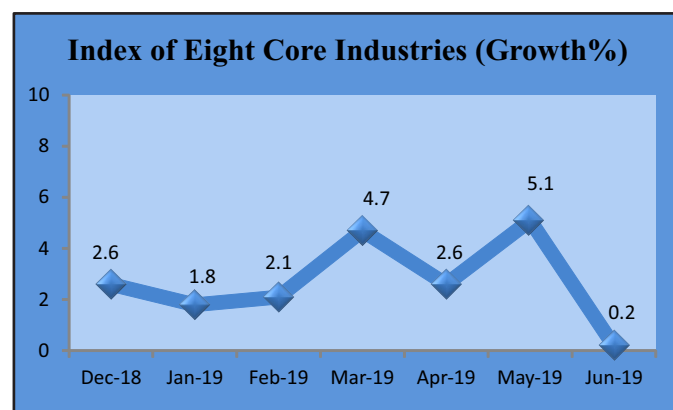
The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of June 2019 stands at 130.2, which is 2.0 percent higher as compared to the level in the month of June, 2018.



Source: MOSPI

Index of Eight Core Industries

The combined Index of Eight Core Industries stood at 131.4 in June, 2019, which was 0.2 per cent higher as compared to the index of June, 2018.



Source: DIPP

Yearly Performance of Listed Non-Government Non-financial Public Ltd. and Private Ltd. Companies (in Percent)

Trends in the selected corporate performance indicators published by RBI of a sample of non-government non-financial Public and Private listed companies for the year 2017-18 as below:

Yearly: Performance of Listed Non-Govt. Non-Financial Public and Private limited Companies 2017-18 (in Per cent)		
Indicators	Y-o-Y Growth of Public Ltd Co.	Y-o-Y Growth of Private Ltd. Co.
Sales	10.1	10.6
Total Income	10.1	10.5
Operating Expenses	11.1	10.3
Operating Profit	7.1	18.2
Gross Profit	4.6	15.8
Profit after Tax	2.5	17.6

Source: RBI