Continuing its drive against shell companies, MCA has introduced the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2019. The Rules mandate that where a company governed by Rule 25A of the Companies (Incorporation) Rules, 2014, fails to file the e-form ACTIVE within the period specified therein, the Director Identification Number (DIN) allotted to its existing directors, shall be marked as “Director of ACTIVE non-compliant company”. Such directors will have to take all necessary steps to ensure that all companies governed by rule 25A of the Companies (Incorporation) Rules, 2014, where such directors have been so appointed, file the e-form ACTIVE. It is only after these companies file the e-form ACTIVE, the DIN of such directors shall be marked as “Director of ACTIVE compliant company”.

With an aim to bring greater clarity and uniformity in approval of company names for incorporation of a company, the Ministry has brought in amendments to the Companies (incorporation) Rules, 2014. The Companies (Incorporation) Fifth Amendment Rules, 2019 substitute the existing rule 8 with a new rule 8 which is sub-divided into Rule 8A and 8B. Rule 8A lists down the conditions under which name of a company will be considered undesirable while Rule 8B is for the word of expression which can be used only after obtaining previous approval of the Central Government. Various illustrations are also given to substantiate the same for ensuring more clarity and better understanding.

The Insolvency and Bankruptcy Code, 2016 (Code) envisages insolvency resolution in a time bound manner for maximization of value of assets to promote entrepreneurship, availability of credit and balance the interests of all stakeholders. In the two years since the enactment of the Code various provisions related to the Code such as fast track resolution, corporate liquidation and voluntary liquidation of corporate debtors (CDs) have been operationalized. Part III of the Code provides for individual insolvency resolution. The Code envisages insolvency resolution of three categories of individuals, namely, personal guarantors to corporate debtors, partnership firms and proprietorship firms, and other individuals. In the first phase, the provisions of part III of the Code dealing with insolvency and bankruptcy of personal guarantors to corporate debtors are proposed to be implemented. Accordingly, public comments were invited on the draft Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtors), Rules, 2019 and the same will soon be notified. Implementation of individual insolvency and bankruptcy provisions is envisaged to be completed in a phased manner. This shall help us incorporate learnings of previous phases and gradually move towards level playing field for all players.

The Ministry is also constantly working on ways to strengthen the framework for independent directors and auditors who have a crucial role to play in maintaining investors’ confidence, corporate success and economic growth.
Review of Corporate Sector:

As on 30th April 2019, the number of companies registered under the Companies Act was 18,83,671. Of these, 6,83,050 companies were closed, 6,452 companies were under liquidation, 35,494 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 1,156,804 active companies, including 1,79,422 companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

A total of 10,383 companies, including 626 One Person Companies (OPCs), were registered under the Companies Act, 2013 during April, 2019 with authorized capital of Rs. 19.54 Crore. The breakup of the newly incorporated companies by type is as follows:

<table>
<thead>
<tr>
<th>Type of Company</th>
<th>No. of Companies registered in April, 2019</th>
<th>Total Authorized Capital (In Rs. in Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Private</td>
<td>10,084</td>
<td>1,596.42</td>
</tr>
<tr>
<td>Of which,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Person Companies</td>
<td>626</td>
<td>19.54</td>
</tr>
<tr>
<td>(b) Public</td>
<td>272</td>
<td>69.81</td>
</tr>
<tr>
<td>Company limited by Guarantee</td>
<td>27</td>
<td>-</td>
</tr>
<tr>
<td>Of which,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Private</td>
<td>24</td>
<td>-</td>
</tr>
<tr>
<td>(b) Public</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Unlimited Company</td>
<td>-</td>
<td>0.00</td>
</tr>
<tr>
<td>Grand Total</td>
<td>10,383</td>
<td>1666.23</td>
</tr>
</tbody>
</table>

During the Month of April, 2019, Maharashtra had maximum number of company registrations (1,943) followed by Delhi (1,276) and Uttar Pradesh (1,064). “Business Services” topped the economic activity-wise classification (3,873) of newly registered companies.

During April, 2019, 10,356 (out of 10,383) companies were registered as companies limited by shares with authorized capital of Rs. 1,666.23 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/Information Bulletin.html.

MONTHLY MIS REPORT FROM COMPETITION COMMISSION OF INDIA

(As on May-2019)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Sections</th>
<th>Cases pending as on last day of previous month (A)</th>
<th>Cases received during the month (B)</th>
<th>Total Cases (A+B)</th>
<th>Net Cases pending with CCI for final disposal</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>19(1)</td>
<td>88</td>
<td>-</td>
<td>88</td>
<td>88</td>
<td>#</td>
</tr>
<tr>
<td>2.</td>
<td>19(1)(a)</td>
<td>87</td>
<td>07</td>
<td>94</td>
<td>88</td>
<td>@</td>
</tr>
<tr>
<td>3.</td>
<td>19(1)(b)</td>
<td>13</td>
<td>-</td>
<td>13</td>
<td>13</td>
<td>*</td>
</tr>
<tr>
<td>4.</td>
<td>5 &amp; 6</td>
<td>07</td>
<td>6</td>
<td>13</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>195</td>
<td>13</td>
<td>208</td>
<td>197</td>
<td></td>
</tr>
</tbody>
</table>

Cases remanded by COMPAT

5. Remanded: 10

Cases regarding contravention of orders of Commission

6. Causing fresh inquiry: 01

Notes and references:

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.[@] Details of three oldest cases are attached as per Annexure-1.

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

4. [!] Out of 188 anti-trust cases 88 cases are pending with DG and 100 cases (19 cases are at prima facie stage and 81 cases for hearing) are pending with CCI.
Events:-

IICA, concluded a five day Indo-Singapore workshop.

The Indian Institute of Corporate Affairs (IICA), concluded a five day Indo-Singapore workshop on “Governance for Sustainability” on 26th May, 2019 in Singapore. The programme, organized by the Centre of Excellence for Sustainable Development, witnessed engaged participation from senior leadership of various ministries and leading public sector enterprises.

CCI10th Annual Day celebration.

The Competition Commission of India (CCI) celebrated its 10th Annual Day on 20th May, 2019 which marks the notification of the substantive enforcement provisions of the Competition Act, 2002. On this occasion, Shri N. K. Singh, Chairman, Fifteenth Finance Commission, Govt. of India, delivered the Annual Day Lecture on “Should Competitive Federalism Complement Cooperative Federalism?” at CCIs office premises.

Notifications:-

(i) Vide notification no. G.S.R. 350(E) dated 8th May, 2019 the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2019 were notified on 8th May, 2019. Through this amendment, clarification was provided in respect of the compliances required to be done at the time of submission of the application of striking off, a format for statement of account i.e Form STK-8 has also been prescribed. Further, the fees or filing the application for striking off was increased from Rs. 5,000/- to Rs. 10,000/-. 

(ii) Vide notification no. G.S.R. 351(E) dated 08th May, 2019 the National Company Law Tribunal (Second Amendment) Rules, 2019 were published. Through this amendment, the threshold of the minimum number of members, and the threshold of the minimum shareholding held by a member or members for initiating class action under section 245(1) against a company was prescribed. Further, S. No. 28, in the schedule of fees, which provides the fees in case of applications of compounding was omitted, as such applications are originally preferred before the Registrar and fees is also collected at the first instance.

(iii) Vide notification no. G.S.R. 357(E) dated 10th May, 2019 the Companies (Incorporation) Fifth Amendment Rules, 2019 were notified on 10th May, 2019 by the Ministry. Through this notification, Rule 8 of Companies (Incorporation) Rules, 2014, relating to names which resemble to nearly with name of existing company, undesirable names and word or expression which can be used only after obtaining previous approval of Central Government by a new company has been substituted.

(iv) Vide notification no. G.S.R. 368(E) dated 16th May, 2019 the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2019 were notified on 16th May 2019 wherein it has been provided that in case of non-filing of e-form ACTIVE by the company, within the due date, the DIN of its directors will be marked as “Director of ACTIVE non-compliant company”. Further, the DIN of such directors will be marked as “Director of ACTIVE compliant company” only after all companies in which such directors are so associated file e-form ACTIVE.

(v) Vide notification no. G.S.R. 376(E) dated 22nd May, 2019 the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2019 were notified on 22nd May, 2019, to be effective from 30th September 2019. Form PAS 6- Reconciliation of Share Capital Audit Report (Half-yearly) was prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(vi) Vide notification no. G.S.R. 377(E) dated 22nd May, 2019 the National Financial Reporting Authority (Meeting for Transaction of Business) Rules, 2019 were prescribed under sub-section (10) of section 132 of Companies Act, 2013.

Circulars:-

The Ministry vide General Circular No. 06/2019 dated 13th May,2019, in view of representations of stakeholders, has clarified that companies which had filed Form no. ADT-1 through GNL-2 as an attachment (by selecting ‘others’) during the period form 1st April,2014 to 20th October,2014 may file eform no. ADT-1 for appointment of Auditor for the period upto 31st March,2019 without fee, till 15th June,2019 (since fee had been paid for filing GNL-2 for the same purpose) and thereafter fee and additional fee shall be applicable as per Companies (Registration of Office and Fees) Rules, 2014.
Some Macro Indicators

Wholesale Price Index (WPI)
The annual rate of inflation, based on monthly WPI, stood at 3.07% (provisional) for the month of April,2019 (over April,2018) as compared to 3.18% (provisional) for the previous month and 3.62% during the corresponding month of the previous year.

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

Index of Industrial Production
The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of April 2019 stands at 126.8, which is 3.4 percent higher as compared to the level in the month of April 2018.

Index of Eight Core Industries
The combined Index of Eight Core Industries stood at 127.5 in April, 2019, which was 2.6 per cent higher as compared to the index of April, 2018.

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: