



Monthly Newsletter

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Secretary's Desk

The **National CSR Awards** have been instituted by the Ministry of Corporate Affairs to recognize corporate excellence in the area of CSR. The aim of the award is to identify and recognize the efforts of the companies in integrating and internalizing CSR. It no longer is regarded as an act of philanthropy; rather it now flows out of Business Responsibility

towards Society and Environment. Thus, it seeks to recognize the companies that have positively influenced both business and society by taking a strategic approach. These awards are now considered as the highest recognition in the domain of CSR in India. The Hon'ble President of India, **Shri Ram Nath Kovind**, conferred the first **National Corporate Social Responsibility Awards (NCSRA)** on 29th October, 2019 to the selected companies for their outstanding contribution in the area of CSR. The President also noted that henceforth, National CSR Awards would be conferred on 2nd October every year. Out of total 528 entries received for the National CSR awards this year, 131 companies were short listed by the jury for the submissions of their detail work which were then followed by field verification of the claims made by the companies. Based on the submissions by the companies and reports of the independent assessment by CSR experts, **Jury recommended 19 Winners and 19 Honourable Mentions across the three award categories: (i) Corporate Awards for Excellence in CSR; (ii) Corporate Awards in CSR in Challenging Circumstances; and (iii) Awards based on contribution to National Priority Schemes.**

As an important step to improve the Corporate Governance mechanism and Responsible Business Conduct, the MCA instituted, **Companies (Creation and Maintenance of Data Bank of Independent Directors) Rules, 2019 on 22nd October, 2019.** Independent Directors are seen as the catalyst of change who bring value to the board and provide the right balance with their diverse and cross-functional professional skills. Independent Director's conduct brings transparency and integrity to Corporate Boards. Hence, the Ministry amended the Companies (Accounts) Rules, 2014 with a new sets of Rules that mentions that every individual whose name is included in the Data Bank shall pass an online proficiency self-assessment test

within a period of one year from the date of inclusion of his name in the Databank. This test will cover all the areas relevant to the functioning of Independent Directors, such as Companies Act, Securities Law, basic accountancy and related topics. Exemptions from appearing/passing such test has been provided for individuals only having some specified experience. The other set of Amendment Rules requires that every Company shall attach, in the Board's report, a statement regarding opinion of the Board of Directors w.r.t. the integrity, expertise and experience (including the proficiency) of Independent Directors appointed during the year. The MCA has entrusted the **Indian Institute of Corporate Affairs (IICA)** at Manesar, to create and maintain the online Databank of Independent Directors under the Companies Fifth Amendment Rules, 2019. The Databank will contains the names, addresses and qualifications of persons who are eligible and willing to act as Independent Directors, for the use of Companies while making appointment of such Directors. This Databank aims to build an eco-system of serving Independent Directors, aspiring individuals and companies. Individual users will be able to acquire knowledge from diverse resources, develop distinct skills and assess their understanding on company operations, regulations and compliance. Corporate users will be able to search, select and connect with the individuals possessing right skills and attitude to become Independent Directors.

To promote "**Ease of Doing Business**" introduction of "**Green Channel**" is a pivotal step in the corporate sector. The Green Channel allows for an automatic system for speedy approval of combinations subject to certain conditions. This aims to sustain and promote a speedy, transparent and accountable review of combination cases, strike a balance between facilitation and enforcement functions, create a culture of compliance and support economic growth. Parties to the combination may self-assess, based on specified criteria and pre-filing consultation with the Competition Commission of India (CCI), whether they qualify for notification under the Green Channel. This system would significantly reduce the time and cost of transaction. The **first Green Channel approval** was granted to the acquisition of Essel Mutual Fund (Essel MF), by an entity owned by Former Flipkart co-founder Sachin Bansal Group. The Proposed Combination filed in terms of Regulation 5A of the Combination Regulations (i.e. notice for approval of Combinations under Green Channel) shall be deemed to have been approved upon filing and acknowledgment thereof.

Review of Corporate Sector:

As on 31.10.2019, the number of companies registered under the Companies Act was 19,44,336. Of these, 7,11,366 companies were closed, 6,453 companies were under liquidation, 68,232 companies are in the process of being struck-off from the register, 71 companies were in the process of being re-activated and 2,100 companies have so far obtained the "dormant" status according to Section 455 of the Companies Act, 2013. There are 11,56,114 active companies, including 1,84,444 companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

A total of 9,933 companies, including 636 One Person Companies (OPCs), were registered under the Companies Act, 2013 during October, 2019 with authorized capital of Rs.3106.12 Crore. The breakup of the newly incorporated companies by type is as follows:

Type of Company	No. of Companies registered in October, 2019	Total Authorized Capital (In Rs. Crore)
Company limited by shares	9,855	3,106.11
Of which,		
(a) Private	9,552	3,038.55
Of which,		

One Person Companies	636	20.99
(b) Public	303	67.56
Company limited by Guarantee	78	0.01
Of which,		
(a) Private	73	0.01
(b) Public	5	-
Unlimited Company	-	-
Grand Total	9,933	3,106.12

During the Month of October, 2019, Maharashtra had maximum number of company registrations (1,834) followed by Delhi (1,193) and Uttar Pradesh (1,031). "Business Services" topped the economic activity-wise classification (2,784) of newly registered companies.

During October 2019, 9,855 (out of 9,933) companies were registered as companies limited by shares with authorized capital of Rs. 3,106.11 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 October, 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	59	#
2.	19(1)(a)	86	03	89	85	@
3.	19(1)(b)	17	00	17	17	
4.	5 & 6	09	10	19	11	*
4(a)	20(1)	01	00	01	01	
Total		169	13	185	173	

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	02	02	
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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. [*] Combination Cases filed u/s 5 & 6.

3. [] 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 National CSR Awards was successfully conducted on 29th October 2019 at Vigyan Bhawan, New Delhi. It has been instituted by the Ministry of Corporate Affairs to recognize corporate initiatives in the area of Corporate Social Responsibility (CSR) to achieve inclusive growth and inclusive and sustainable development.



Hon'ble President conferring National CSR Awards. Also seen in the pic are CAM Smt. Nirmala Sitharaman and MoS Shri Anurag Thakur along with Secretary, MCA and DG, IICA.



Awardees of National CSR Awards with Hon'ble President

A meeting of the Insolvency Law Committee (ILC) was held on 9th October, 2019 where issues relating to notification of Financial Service Providers under section 227 of the Insolvency and Bankruptcy Code, 2016 was discussed. In the meeting held on 15th October, 2019 on the Corporate Insolvency Resolution Process (CIRP) and Liquidation process. Issues relating to amount of default for initiating CIRP, initiating CIRP by certain class of creditors, distribution of proceeds under a resolution plan, treatment of profit and loss accrued during CIRP, treatment of MSME, priority of interim finance, IBC vis-à-vis Prevention of Money-Laundering Act, 2002 (PMLA), liquidation waterfall and going-concerns sales were discussed.

Senior Level Appointments:-

The two officers have joined in the Ministry (i) Ms. Nandita Mishra, Economic Adviser (ii) Shri C. Chinnapa, Director (IFD)

Four new members have joined the National Company Law Appellate Tribunal (NCLAT) on 23rd October, 2019 as under:-

- (i) Hon'ble Mr. Justice (Retd.) Madhavraj Venugopal, Judicial Member
- (ii) Hon'ble Mr. Justice (Retd.) Jarat Kumar Jain, Judicial Member
- (iii) Hon'ble Mr. Justice (Retd.) Vijai Pratap Singh, Technical Member
- (iv) Hon'ble Dr. Ashok Kumar Mishra, Technical Member

Notifications:-

- The Ministry has amended Schedule VII of Companies Act, 2013 (Notification No. 776 dated 11.10.2019)
- The Companies (Meeting of Board and its Powers) Rules, 2014 have been amended (Notification No. 777 dated 11.10.2019).
- The Central Government, has notified the Indian Institute of Corporate Affairs (IICA) at Manesar as the institute to create and maintain the data bank (Notification S.O.No.3791 (E) dated 11.10.2019)
- Companies (cost records and audit) Amendment Rules, 2019 on 15.10.2019 has been notified to rationalize and remove the ambiguities and bring more clarity in the Rules (Notification No. G.S.R. 792 (E), dated 15.10.2019)
- The Companies (Incorporation) Eighth Amendment Rules, 2019 has been notified (Notification No. G.S.R. 793 (E), dated 16.10.2019)
- The Companies (Accounts) Rules, 2014 on 22.10.2019 has been amended (Notification No. G.S.R. 803 (E), dated 22.10.2019).
- Further amendments have been made to 2 sets of existing Rules on 22.10.2019 (also effective from 01.12.2019) by issuing the Companies (Appointment and Qualification of Directors) Fifth (Amendment) Rules, 2019 and the Companies (Accounts) Amendment Rules, 2019.
- The first set of Amendment Rules, inter alia, provide that every individual whose name is included in the data bank shall pass an online proficiency self-assessment test (Notification No. G.S.R. 804 (E), dated 22.10.2019).
- The Ministry has also notified, on 22.10.2019, a new set of Rules namely the Companies (Creation and Maintenance of Data bank of Independent Directors) Rules, 2019 (Notification No. G.S.R. 805 (E), dated 22.10.2019).
- A notification has been issued on 30.10.2019 to provide the Registrar of Companies, Jammu, the jurisdiction in respect of Union Territory of Jammu & Kashmir and Union Territory of Ladakh (Notification No. S.O. 3955 (E), dated 30.10.2019)
- The Ministry has amended the earlier notification published vide no. GSR 832 (E) dated 03.11.2015 (Notification No. S.O. 3957 (E), dated 30.10.2019).
- The Ministry has also amended the earlier notification published vide no. SO 831 (E) dated 24.03.2015 (Notification No. S.O. 3956 (E), dated 30.10.2019).

Circulars:-

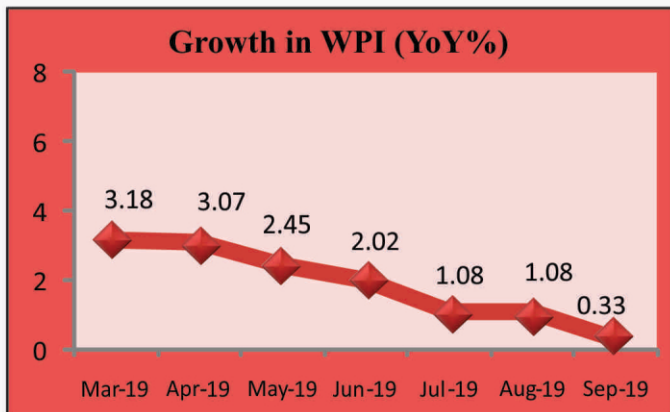
- The last date of filing of CRA-4 (cost audit report) has been extended (General Circular No.12/2019 dated 24.10.2019).
- The due date for filing of e-forms, AOC-4, AOC-4 (CFS), AOC-4 XBRL has been extended (General Circular No.13/2019 dated 29.10.2019).

Note: For detailed notifications and circulars please refer to <http://www.mca.gov.in/MinistryV2/noticesandcirculars.html>

Some Macro Indicators

Wholesale Price Index (WPI)

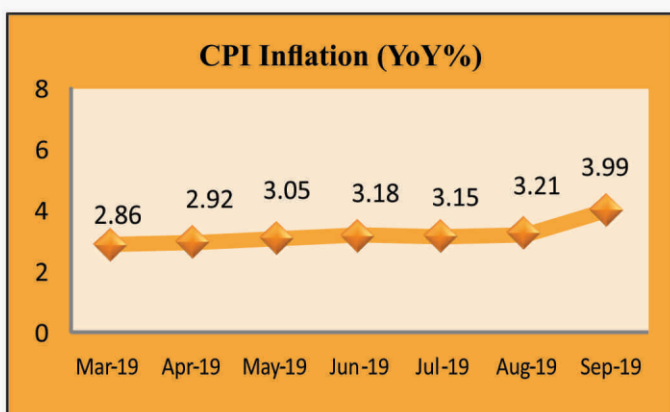
The annual rate of inflation, based on monthly WPI for September 2019 stood at 0.33% compared to 1.08% during the corresponding month of the previous year, September 2018.



Source: DIPP

Consumer Price Index (CPI)

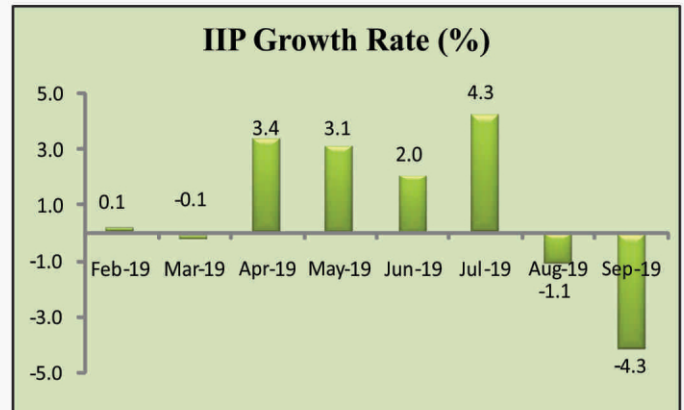
The CPI (Combined) on Base 2012=100 is being released for the month of September 2019. All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e., September 2019 over September 2018) given below:



Source: MOSPI

Index of Industrial Production

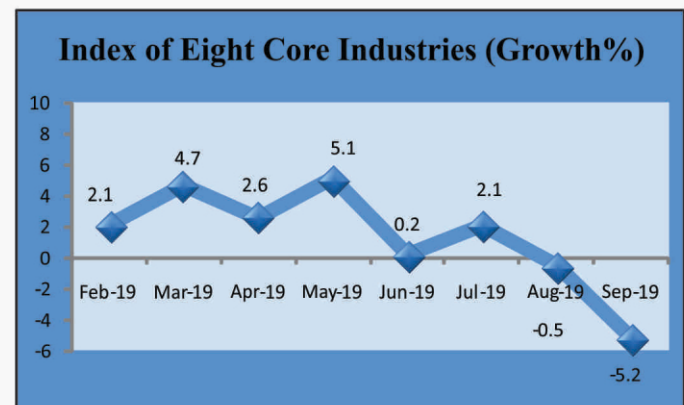
The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of September 2019 stands at 123.3, which is -1.1 percent lower as compared to the level in the month of September 2018.



Source: MOSPI

Index of Eight Core Industries

The combined Index of Eight Core Industries stood at 120.6 in September, 2019, which declined by -5.2 per cent as compared to the index of September, 2018.



Source: DIPP

Performance of Selected indicators of Listed Non-Government Non-financial Companies (in Percent) (Y-o-Y Growth Rate)

Yearly 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 and 2018-19 as below:

Yearly Performance of Listed Non-Govt. Non-Financial Companies (Y-O-Y Growth Rate)		
Indicator	2017-18	2018-19
Sales	9.8	14
Value of Production	9.4	14.6
Expenditure	10.1	15.3
Operating Profit	5.2	10.5
Net Profit	-0.3	36.2

Source: RBI