

Companies (Amendment) Bill, 2020

November 2, 2020

In news

The Companies (Amendment) Bill, 2020 was passed by Parliament

Key amendments to the Companies Act, 2013

- Changes to offences: The Bill makes three key changes.
 1. First, it moves 23 compoundable offences to in-house adjudication where penalties will be levied instead of imposing fines/imprisonment (e.g., for non-maintenance of registers).
 2. Second, 11 offences are being amended to restrict punishment to fines only and to remove imprisonment (e.g., for noncompliance with provisions related to foreign companies).
 3. Third, seven offences are being omitted (e.g., for non-compliance with certain orders of the National Company Law Tribunal).
- **Corporate Social Responsibility (CSR):** The Bill exempts companies with a CSR liability of up to Rs 50 lakh a year from setting up CSR Committees. Further, companies which spend any amount in excess of their CSR obligation in a financial year can set off the excess amount towards their CSR obligations in subsequent financial years.
- The Bill **empowers the central government to allow certain classes of public companies to list classes of securities** (as may be prescribed) in foreign jurisdictions.
- The proposed bill also **empowers the central government, in consultation with the Securities and Exchange Board of India, to exclude companies issuing specified classes**

of securities from the definition of a “listed company”

- **Bill extends the remuneration to non-executive directors**, including independent directors which was there only for executive directors
- The Bill seeks to **establish benches of the National Company Law Appellate Tribunal**. These shall ordinarily sit in New Delhi or such other place as may be notified.