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NOTE ON THE COMPANIES (AMENDMENT) BILL, 2020

On 17th March 2020, the Government has introduced the Companies (Amendment) Bill, 2020 (“Bill”) in the Lok Sabha to further amend Companies Act, 2013 (“Act”) proposing various changes pertaining to removing criminality from most of the offences under the Act and offering simpler penalty regime for businesses as well as paving the way for direct overseas listing of Indian companies.

In Bill, Central Government has substituted the word “Penalty” in place of word “Fine” in most of the Sections which provide punishment for non-compliance of any particular provision of the Act. Now, let us understand the meaning of Penalty and Fine.

- **Fine:** Fine is the amount of the money that a court or other authority can order to pay for an offence after a successful prosecution in a matter.
- **Penalty:** Penalties do not require court proceedings and are imposed on failing to comply with a provision of an Act.

In the context of Companies Act, 2013, with the re-categorisation of Fine to Penalty, ROC or MCA or any other authority as may be prescribed; may start levying penalty directly on the defaulting companies rather than filing application with NCLT and getting an order for payment of Fine by the defaulting companies.

For better understanding, we will here compare the existing provisions of Companies Act, 2013 and proposed changes vide Companies (Amendment) Bill, 2020 in below table:



Comparative Analysis of Existing Provisions and Proposed Provisions of Companies Act, 2013

S. No.	Section of Companies Act, 2013(the Act) and Heading of Section	Existing Provision	Proposed Provision	Conclusion
1.	2(52): Definition of Listed Company	"Listed Company" means a company which has any of its securities listed on any recognized stock exchange.	"Listed Company" means a company which has any of its securities listed on any recognized stock exchange. <i>"Provided that such class of companies, which have listed or intend to list such class of securities, as may be prescribed in consultation with the Securities and Exchange Board, shall not be considered as listed companies".</i>	A new proviso is to be inserted in the definition of Listed Company which allows the Central Government to exclude certain Companies based on listing of certain securities on recognized stock exchange, as may be prescribed by rules, in consultation with SEBI from the definition of listed companies.
2.	8(11): Punishment for Section 8 Company and for their directors and officer in default	If a company makes any default in complying with any of the requirements laid down in this section, the company shall, without prejudice to any other action under the provisions of this section, be punishable with fine which shall not be less than ten lakh rupees but which may extend to one crore rupees and the directors and every officer of	If a company makes any default in complying with any of the requirements laid down in this section, the company shall, without prejudice to any other action under the provisions of this section, be punishable with fine which shall not be less than ten lakh rupees but which may extend to one crore rupees and the directors and every officer of the company who is in default shall be punishable with	In existing provision, imprisonment as well as fine can be imposed on directors and officers in default for non-compliance of Section 8. But in proposed provision, there is no imprisonment for directors and officers in default. Only fine can be imposed on them for non-



		<p>the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than twenty-five thousand rupees but which may extend to twenty-five lakh rupees, or with both.</p>	<p>fine which shall not be less than twenty-five thousand rupees but which may extend to twenty-five lakh rupees.</p>	<p>compliance of Section 8.</p>
<p>3.</p>	<p>16(1)(b): Rectification of name of Company :-</p>	<p>If, through inadvertence or otherwise, a company on its first registration or on its registration by a new name, is registered by a name which on an application by a registered proprietor of a trade mark that the name is identical with or too nearly resembles to a registered trade mark of such proprietor under the Trade Marks Act, 1999, made to the Central Government within three years of incorporation or registration or change of name of the company, whether under this Act or any previous company law, in the opinion of the Central Government, is identical with or too nearly resembles to an existing trade mark, it may direct the company to change its name</p>	<p>If, through inadvertence or otherwise, a company on its first registration or on its registration by a new name, is registered by a name which on an application by a registered proprietor of a trade mark that the name is identical with or too nearly resembles to a registered trade mark of such proprietor under the Trade Marks Act, 1999, made to the Central Government within three years of incorporation or registration or change of name of the company, whether under this Act or any previous company law, in the opinion of the Central Government, is identical with or too nearly resembles to an existing trade mark, it may direct the company to change its name and the company shall change its name or new name, as the case may be,</p>	<p>In existing provision, six months has been given to Company for complying the direction issued by competent Authority.</p> <p>In proposed provision, time period of six months has been reduced to three months.</p>



		and the company shall change its name or new name, as the case may be, within a period of six months from the issue of such direction, after adopting an ordinary resolution for the purpose.	within a period of three months from the issue of such direction, after adopting an ordinary resolution for the purpose	
4.	16(3): Punishment for non-compliance of Section 16(1)	If a company makes default in complying with any direction given under sub-section (1), the company shall be punishable with fine of one thousand rupees for every day during which the default continues and every officer who is in default shall be punishable with fine which shall not be less than five thousand rupees but which may extend to one lakh rupees.	If a company is in default in complying with any direction given under sub-section (1), the Central Government shall allot a new name to the company in such manner as may be prescribed and the Registrar shall enter the new name in the register of companies in place of the old name and issue a fresh certificate of incorporation with the new name, which the company shall use thereafter. Provided that nothing in this sub-section shall prevent a company from subsequently changing its name in accordance with the provisions of section 13.	In proposed provision, Central Government has waived off the punishment for non-compliance of direction given under Section 16(1). Now, Central Government shall allot a new name to Company by itself if the Company doesn't comply with the directions given under Section 16(1). However, Company can change its name subsequently as per provisions of Section 13.
5.	23: Public offer and private placement	In existing provision, Section 23 contains only sub-section (1) and sub-section (2) along with explanation	In proposed amendment, sub-section (3) and sub-section (4) is to be inserted in section 23 as follows: Section 23(3): Such class of public	In existing provision, only method of issuance of securities by public company and private company has been specified.



			<p>companies may issue such class of securities for the purposes of listing on permitted stock exchanges in permissible foreign jurisdictions or such other jurisdictions, as may be prescribed. Section 23(4): The Central Government may, by notification, exempt any class or classes of public companies referred to in sub-section (3) from any of the provisions of this Chapter, Chapter IV, section 89, section 90 or section 127 and a copy of every such notification shall, as soon as may be after it is issued, be laid before both Houses of Parliament."</p>	<p>Now, the Central Government has inserted two more sub-sections for the following purpose:</p> <ul style="list-style-type: none"> a) to allow a class of public companies to list certain class of securities on permitted Stock Exchanges in permissible Foreign Jurisdictions or such other Jurisdictions, as may be provided by rules. b) to exempt, by notification, any class or classes of public companies referred to in the said sub-section (3) from any of the provisions of Chapter III, Chapter IV, section 89, section 90 or section 127 of the Act.
6.	26(9): Punishment for issuance of prospectus in contravention of Section 26	If a prospectus is issued in contravention of the provisions of this section, the company shall be punishable with fine which shall not be less than	If a prospectus is issued in contravention of the provisions of this section, the company shall be punishable with fine which shall not be less than fifty thousand	In existing provision, imprisonment as well as fine can be imposed on every person who is knowingly a party to the issue of



		fifty thousand rupees but which may extend to three lakh rupees and every person who is knowingly a party to the issue of such prospectus shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.	rupees but which may extend to three lakh rupees and every person who is knowingly a party to the issue of such prospectus shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees	prospectus which is issued in contravention of Section 26. But in proposed provision, there is no imprisonment for such persons. Only fine can be imposed on them.
7.	40(5): Punishment for non-compliance of Section 40 which contains the provision regarding “Securities to be dealt with in Stock Exchanges”	If a default is made in complying with the provisions of this section, the company shall be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.	If a default is made in complying with the provisions of this section, the company shall be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees.	In existing provision, imprisonment as well as fine can be imposed on every Officer in Default for non-compliance of Section 40. But in proposed provision, there is no imprisonment for officers in default. Only fine can be imposed on them if they makes any default in complying with provisions of Section 40.
8.	48(5): Punishment for making default in compliance with the	Where any default is made in complying with the provisions of this section, the company shall be punishable with fine	In proposed Bill , Section 48(5) is to be omitted	In proposed provision, Central Government has waived off the punishment for making default in



	provisions relating to Variation of shareholders' right.	which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees, or with both.		compliance with the provisions relating to Variation of Shareholders' right.
9.	56(6): Punishment for non-compliance of provisions relating to transfer and transmission of securities	Where any default is made in complying with the provisions of sub-sections (1) to (5), the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees.	Where any default is made in complying with the provisions of sub-sections (1) to (5), the company and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees	In proposed provision, word "penalty" has been substituted in place of word "fine". Now, penalty for company as well as officers in default are same, i.e. Rs.50,000 for non-compliance of provisions of Section 56 (1) to (5)..
10.	59(5): Punishment for non-compliance of provisions relating to rectification of register of	If any default is made in complying with the order of the Tribunal under this section, the company shall be punishable with fine which	In proposed Bill, Section 59(5) is to be omitted	In proposed provision, Central Government has waived off the punishment for making default in complying with the order of



	members	shall not be less than one lakh rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees, or with both.		the Tribunal under Section 59.
11.	62(1)(a)(i): Time period for accepting offer of right issue	the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.	the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.	In existing provision, a company has to give minimum 15 days to the members for accepting the offer of Rights Issue. In proposed provision, Central Government can reduce such period of 15 days by prescribing in rules.
12.	64(2): Punishment for non- filing of Form SH-7 to Registrar of Companies in case of alteration of share capital	Where any company fails to comply with the provisions of sub-section (1), such Company and every Officer who is in default shall be liable to a penalty of one thousand rupees for each day during which such default continues, or five lakh rupees whichever is less.	Where any company fails to comply with the provisions of sub-section (1), such company and every officer who is in default shall be liable to a penalty of five hundred rupees for each day during which such default continues subject to a maximum of five lakh rupees in case of a company and	In proposed provision, amount of penalty has been reduced for non-filing of Form SH-7.



			one lakh rupees in case of an officer who is in default	
13.	66(11): Punishment for non-publishing of order of confirmation of the reduction of share capital made by the Tribunal	If a company fails to comply with the provisions of sub-section (4), it shall be punishable with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees.	In proposed amendment, Section 66(11) is to be omitted	In proposed provision, Central Government has waived off the punishment for non-publishing of order of confirmation of the reduction of share capital made by the Tribunal under Section 66.
14.	68(11): Punishment for non-compliance of provisions of Buy-Back of securities	If a company makes any default in complying with the provisions of this section or any regulation made by the Securities and Exchange Board, for the purposes of clause (f) of sub-section (2), the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees, or with both.	If a company makes any default in complying with the provisions of this section or any regulation made by the Securities and Exchange Board, for the purposes of clause (f) of sub-section (2), the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees.	In existing provision, imprisonment as well as fine can be imposed on officers in default for non-compliance of Section 68. But in proposed provision, there is no imprisonment for officers in default. Only fine can be imposed on them if they makes any default in complying with provisions of Section 68.
15.	71(11): Punishment for	If any default is made in	In proposed amendment, Section	In proposed provision,



	non-compliance of order of Tribunal under Section 71	complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both	71(11) is to be omitted	Central Government has waived off the punishment for non compliance of order made by the Tribunal under Section 71.
16.	86(1): Punishment for contravention of provision relating to charges	If any company contravenes any provision of this Chapter, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to ten lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both.	If any company is in default in complying with any of the provisions of this Chapter, the company shall be liable to a penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees	In proposed provision, word “penalty” has been substituted in place of word “fine” and also there is no minimum or maximum penalty for company as well as officer in default, there is only single amount penalty i.e. Rs. 5,00,000 for company and Rs. 50,000 for officer in default. Further, Central Government has waived off the imprisonment for officers in default.
17.	88(5): Punishment for non-maintenance of Register of members, debenture-holders and	If a company does not maintain a register of members or debenture-holders or other security holders or fails to maintain them in accordance	If a company does not maintain a register of members or debenture-holders or other security holders or fails to maintain them in accordance with the provisions of	In proposed provision, word “penalty” has been substituted in place of word “fine” and also there is no minimum or maximum



	other security holders.	with the provisions of sub-section (1) or sub-section (2), the company and every officer of the company who is in default shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day, after the first during which the failure continues.	sub-section (1) or sub-section (2), the company shall be liable to a penalty of three lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees."	penalty for company as well as officer in default, now, there is only single amount penalty i.e. Rs. 3,00,000 for company and Rs. 50,000 for officer in default. Further, Central Government has waived off the continuing penalty where the failure is a continuing one.
18.	89(5): Punishment for non-making of declaration by Registered Owner or Beneficial Owner as per provisions of Section 89.	If any person fails, to make a declaration as required under sub-section (1) or sub-section (2) or sub-section (3), without any reasonable cause, he shall be punishable with fine which may extend to fifty thousand rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.	If any person fails to make a declaration as required under sub-section (1) or sub-section (2) or sub-section (3), he shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with a further penalty of two hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees	In proposed provision, word "penalty" has been substituted in place of word "fine". Further, Penalty for continuing failure has been reduced too.
19.	89(7): Punishment for non-filing of Form MGT-6 as per provisions of	If a company, required to file a return under sub-section (6), fails to do so before the expiry of the time specified therein,	If a company, required to file a return under sub-section (6), fails to do so before the expiry of the time specified therein, the	In proposed provision, word "penalty" has been substituted in place of word "fine".



	Section 89.	the company and every officer of the company who is in default shall be punishable with fine which shall not be less than five hundred rupees but which may extend to one thousand rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.	company and every officer of the company who is in default shall be liable to a penalty of one thousand rupees for each day during which such failure continues, subject to a maximum of five lakh rupees in the case of a company and two lakh rupees in case of an officer who is in default.	Further, in existing provision there is one time fine as well as continuing fine. Now, in proposed provision there is only continuing penalty which is also subject to maximum penalty.
20.	89: Declaration in Respect of Beneficial Interest in any Share	In existing provision, Section 89(11) does not exist	In proposed amendment, Section 89(11) is to be inserted as follows: The Central Government may by notification, exempt any class or classes of persons from complying with any of the requirements of this section, except sub-section (10), if it is considered necessary to grant such exemption in the public interest and any such exemption may be granted either unconditionally or subject to such conditions as may be specified in the notification	In proposed provision, Central Government has power to exempt any class of companies from complying with all sub-sections of Section 89 except sub-section 10.
21.	90(10): Punishment for	If any person fails to make a declaration as required under	If any person fails to make a declaration as required under sub-	In proposed provision, word “penalty” has been



	<p>non-making of declaration by significant beneficial owner in accordance with the provisions of Section 90</p>	<p>sub-section (1), he shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than one lakh rupees but which may extend to ten lakh rupees or with both and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.</p>	<p>section (1), he shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with a further penalty of one thousand rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees</p>	<p>substituted in place of word “fine” and also there is no minimum or maximum penalty for defaulting person, there is only single amount penalty Rs. 50,000 for such person.</p> <p>Further, Central Government has also imposed the maximum amount of two Lakh rupees as penalty in case of continuing default.</p> <p>Furthermore, Central Government has also waived off the imprisonment for defaulting person.</p>
<p>22.</p>	<p>90(11): Punishment for non-maintenance of register and non-filing of information by Company in accordance with the provisions of Section 90.</p>	<p>If a company, required to maintain register under sub-section (2) and file the information under sub-section (4) or required to take necessary steps under sub-section (4A), fails to do so or denies inspection as provided therein, the company and every officer of the company who is in default shall be punishable with fine which shall not be less than ten lakh rupees but which may extend</p>	<p>If a company, required to maintain register under sub-section (2) and file the information under sub-section (4) or required to take necessary steps under sub-section (4A), fails to do so or denies inspection as provided therein, the company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day, after the first during which such failure continues, subject to a maximum</p>	<p>In proposed provision, word “penalty” has been substituted in place of word “fine”.</p> <p>Further, in existing provision, penalty for company and officer in default are same, however, in proposed provision, penalty for company and officers in default has been separately specified</p>



		to fifty lakh rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.	of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of two hundred rupees for each day, after the first during which such failure continues, subject to a maximum of one lakh rupees	
23.	92(5): Punishment for non-filing of annual return	If any company fails to file its annual return under sub-section (4), before the expiry of the period specified therein, such company and its every officer who is in default shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of five lakh rupees .	If any company fails to file its annual return under sub-section (4), before the expiry of the period specified therein, such company and its every officer who is in default shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of two lakh rupees in case of a company and fifty thousand rupees in case of an officer who is in default .	In proposed provision, penalty for non-filing of annual return for company as well as for officer-in-default has been reduced.
24.	92(6): Punishment for company secretary in practice which certifies the annual return in non-conformity of provision of Section 92	If a company secretary in practice certifies the annual return otherwise than in conformity with the requirements of this section or the rules made thereunder, he shall be punishable with fine	If a company secretary in practice certifies the annual return otherwise than in conformity with the requirements of this section or the rules made thereunder, he shall be liable to a penalty of two lakh rupees .	In proposed provision, word “penalty” has been substituted in place of word “fine” and also, there is no minimum and maximum penalty as in case of existing provision, there is only



		which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.		single amount penalty of Rs. 2,00,000.
25.	105(5): Punishment for non-compliance of provisions relating to Proxy	<p>If for the purpose of any meeting of a company, invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the company's expense to any member entitled to have a notice of the meeting sent to him and to vote thereat by proxy, every officer of the company who knowingly issues the invitations as aforesaid or wilfully authorises or permits their issue shall be punishable with fine which may extend to one lakh rupees.</p> <p>Provided that an officer shall not be punishable under this sub-section by reason only of the issue to a member at his request in writing of a form of appointment naming the proxy, or of a list of persons willing to act as proxies, if the form or list is available on request in writing to every</p>	<p>If for the purpose of any meeting of a company, invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the company's expense to any member entitled to have a notice of the meeting sent to him and to vote thereat by proxy, every officer of the company who issues the invitation as aforesaid or authorises or permits their issue, shall be liable to a penalty of fifty thousand rupees.</p> <p>Provided that an officer shall not be liable under this sub-section by reason only of the issue to a member at his request in writing of a form of appointment naming the proxy, or of a list of persons willing to act as proxies, if the form or list is available on request in writing to every member entitled to vote at the meeting by proxy.</p>	In proposed provision, word "penalty" has been substituted in place of word "fine" and also the penalty has been reduced from Rs. 1,00,000 to Rs. 50,000.



		member entitled to vote at the meeting by proxy.		
26.	117(2): Punishment for non-filing of Form MGT-14 with the Registrar as per provision of Section 117.	If any company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified therein, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of twenty-five lakh rupees and every officer of the company who is in default including liquidator of the company, if any, shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees.	If any company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified therein, such company shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees and every officer of the company who is in default including liquidator of the company, if any, shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees	In proposed provision, penalty for non-filing of Form MGT-14 has been reduced.
27.	Second proviso to 117(3)(g): Exemption for Banking Company from filing of form MGT-14	Provided further that nothing contained in this clause shall apply to a banking company in respect of a resolution passed to grant loans, or give	Provided further that nothing contained in this clause shall apply in respect of a resolution passed to grant loans, or give guarantee or provide security in respect of loans	In existing provision, exemption is available only for banking companies. In proposed provisions, exemption is also available



	<p>for the resolutions passed in pursuance of section 179(3)(f)</p>	<p>guarantee or provide security in respect of loans under clause (f) of sub-section (3) of section 179 in the ordinary course of its business; and.</p>	<p>under clause (f) of sub-section (3) of section 179 in the ordinary course of its business by,— (a) a banking company; (b) any class of non-banking financial company registered under Chapter IIIB of the Reserve Bank of India Act, 1934, as may be prescribed in consultation with the Reserve Bank of India; (c) any class of housing finance company registered under the National Housing Bank Act, 1987, as may be prescribed in consultation with the National Housing Bank; and</p>	<p>for such class of NBFC registered with RBI and such class of Housing Finance Company registered under National Housing Bank as may be prescribed in rules.</p>
28.	<p>124(7): Punishment for non-compliance of provisions in relation to Unpaid Dividend Account</p>	<p>If a company fails to comply with any of the requirements of this section, the company shall be punishable with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.</p>	<p>If a company fails to comply with any of the requirements of this section, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of ten lakh rupees and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day</p>	<p>In proposed provision, word “penalty” has been substituted in place of word “fine”.</p> <p>Further, in existing provision there is no punishment for continuing default but in proposed provision, there is continuing penalty for continuing default subject to maximum amount of penalty for company as well as for officer in default.</p>



			after the first during which such failure continues, subject to a maximum of two lakh rupees.	
29.	128(6): Punishment for non-compliance of provisions relating to Books of Accounts	If the managing director, the whole-time director in charge of finance, the Chief Financial Officer or any other person of a company charged by the Board with the duty of complying with the provisions of this section, contravenes such provisions, such managing director, whole-time director in charge of finance, Chief Financial officer or such other person of the company shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees or with both.	If the managing director, the whole-time director in charge of finance, the Chief Financial Officer or any other person of a company charged by the Board with the duty of complying with the provisions of this section, contravenes such provisions, such managing director, whole-time director in charge of finance, Chief Financial officer or such other person of the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.	In proposed section, Central Government has waived off the imprisonment for non-compliance of provisions relating to Books of Accounts
30.	129A: Periodical Financial Results	This section does not exist.	In proposed amendment, After section 129, the following section shall be inserted, namely- The Central Government may, require such class or classes of unlisted companies, as may be	In Companies (Amendment) Bill, 2020, Central Government has inserted new section 129A which contains the provisions relating to periodical financial statements.



			<p>prescribed,—</p> <p>(a) to prepare the financial results of the company on such periodical basis and in such form as may be prescribed;</p> <p>(b) to obtain approval of the Board of Directors and complete audit or limited review of such periodical financial results in such manner as may be prescribed; and</p> <p>(c) file a copy with the Registrar within a period of thirty days of completion of the relevant period with such fees as may be prescribed.".</p>	
31.	134(8): Punishment for non-compliance of provisions relating to Financial Statements, Board's Report in pursuance of Section 134 of the Act	If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh	If a company is in default in complying with the provisions of this section, the company shall be liable to a penalty of three lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.	<p>In proposed provision, word "penalty" has been substituted in place of word "fine" and also there is no minimum or maximum penalty for company as well as officer in default, now, there is only single amount penalty i.e. Rs. 3,00,000 for company and Rs. 50,000 for officer in default.</p> <p>Further, Central Government has waived off the imprisonment for officer in</p>



32.	Third Proviso to 135(5): Corporate Social Responsibility Expenditure (CSR)	rupees, or with both Third proviso to Section 135(5) does not exist.	In proposed amendment, a third proviso is to be inserted in Section 135(5) as follows: Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed	default. In proposed provision, Company can set off excess amount of CSR expenditure till such number of succeeding financial years and in such manner, as may be prescribed
33.	135(7): Punishment for non-compliance of provisions of corporate social responsibility as per Section 135	If a company contravenes the provisions of sub-section (5) or sub-section (6), the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of such company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.	If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social	In proposed provision, word “penalty” has been substituted in place of word “fine” and also the amount of penalty has been changed.



			Responsibility Account, as the case may be, or two lakh rupees, whichever is less	
34.	135(9): Relaxation from constitution of CSR Committee	Section 135(9) does not exist.	<p>In proposed amendment, Section 135(9) is to be inserted as follows:</p> <p>Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company</p>	In proposed section, Central Government has provided the relaxation from constitution of CSR Committee for the Companies where the prescribed amount of CSR expenditure does not exceed by Rs. 50, 00,000.
35.	137(3): Punishment for non-filing of Financial statements with the Registrar in accordance with the provisions of section 137	If a company fails to file the copy of the financial statements under sub-section (1) or sub-section (2), as the case may be, before the expiry of the period specified therein, the company shall be liable to a penalty of one thousand rupees for every day during which the failure continues but which shall not be more than ten lakh rupees, and the managing director and the Chief Financial Officer of the	If a company fails to file the copy of the financial statements under sub-section (1) or sub-section (2), as the case may be, before the expiry of the period specified therein, the company shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of two lakh rupees, and the managing director and the Chief	In the proposed provision, amount of penalty has been changed.



		company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the Board with the responsibility of complying with the provisions of this section, and, in the absence of any such director, all the directors of the company, shall be liable to a penalty of one lakh rupees and in case of continuing failure, with further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees	Financial Officer of the company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the Board with the responsibility of complying with the provisions of this section, and, in the absence of any such director, all the directors of the company, shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees	
36.	140(3): Punishment for Auditor for non-filing of Form ADT-3	If the auditor does not comply with the provisions of sub-section (2), he or it shall be liable to a penalty of fifty thousand rupees or an amount equal to the remuneration of the auditor, whichever is less, and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh	If the auditor does not comply with the provisions of sub-section (2), he or it shall be liable to a penalty of fifty thousand rupees or an amount equal to the remuneration of the auditor, whichever is less, and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees .	In proposed provision, penalty for the auditor for non-filing of Form ADT-3 for his resignation has been reduced.



		rupees.		
37.	143(15): Punishment for auditors, cost accountant or company secretary in practice for non-reporting of frauds in accordance with provisions of Section 149(12)	If any auditor, cost accountant or company secretary in practice do not comply with the provisions of sub-section (12), he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees	If any auditor, cost accountant, or company secretary in practice does not comply with the provisions of sub-section (12), he shall (a) in case of a listed company, be liable to a penalty of five lakh rupees; and (b) in case of any other company, be liable to a penalty of one lakh rupees	In proposed provision, word “penalty” has been substituted in place of word “fine” and also the different amount of penalty has been specified for listed company and for other than listed company.
38.	147(1): Punishment for Company and officer in default non compliance of provisions of Section 139 to 146	If any of the provisions of sections 139 to 146 (both inclusive) is contravened, the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees, or with both.	If any of the provisions of sections 139 to 146 (both inclusive) is contravened, the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees.	In proposed provision, Central Government has waived off the imprisonment for officer in default for non compliance of provisions of Section 139 to 146
39.	147(2): Punishment for auditor for non compliance of provisions of Section 139, 143, 144	If an auditor of a company contravenes any of the provisions of section 139, section 143, section 144 or section 145, the auditor shall	If an auditor of a company contravenes any of the provisions of section 139, section 144 or section 145, the auditor shall be punishable with fine which shall	In proposed provision, there is no punishment for the auditor for contravention of provisions of Section 143



	and 145	be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees or four times the remuneration of the auditor, whichever is less	not be less than twenty-five thousand rupees but which may extend to five lakh rupees or four times the remuneration of the auditor, whichever is less	
40.	Proviso to 149(9): Remuneration of Independent Director in case of no profit or inadequate profit.	Proviso to Section 149(9) does not exist.	Provided that if a company has no profits or its profits are inadequate, an independent director may receive remuneration, exclusive of any fees payable under sub-section (5) of section 197, in accordance with the provisions of Schedule V	As per existing provision, Schedule V is applicable only for Whole time directors, Managing Director and Manager. However, due to proposed amendments, remuneration can be given to Independent Directors as per provisions of Schedule V.
41.	165(6): Punishment for holding the office as director in excess of the limit prescribed under Section 165(1)	If a person accepts an appointment as a director in contravention of sub-section (1), he shall be liable to a penalty of five thousand rupees for each day after the first during which such contravention continues	If a person accepts an appointment as a director in violation of this section, he shall be liable to a penalty of two thousand rupees for each day after the first during which such violation continues, subject to a maximum of two lakh rupees	In proposed provision, penalty for contravention of Section 165(1) has been reduced
42.	167(2): Punishment for director if he functions as director even after knowing that his office has vacated	If a person, functions as a director even when he knows that the office of director held by him has become vacant on account of any of the disqualifications specified in	If a person, functions as a director even when he knows that the office of director held by him has become vacant on account of any of the disqualifications specified in subsection (1), he shall be	In existing provision, imprisonment as well as fine can be imposed on such director who functions as director even after knowing that his office has vacated



		subsection (1), he shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both.	punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.	But in proposed provision, there is no imprisonment for such director. Only fine can be imposed on him.
43.	172: Punishment for contravention of provisions of section 149 to 171	If a company contravenes any of the provisions of this Chapter and for which no specific punishment is provided therein, the company and every officer of the company who is in default shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees	If a company is in default in complying with any of the provisions of this Chapter and for which no specific penalty or punishment is provided therein, the company and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees, and in case of continuing failure, with a further penalty of five hundred rupees for each day during which such failure continues, subject to a maximum of three lakh rupees in case of a company and one lakh rupees in case of an officer who is in default	In proposed provision, word “penalty” has been substituted in place of word “fine” and there is no minimum and maximum penalty for company and officer in default, now, there is only single penalty of Rs. 50,000 for companies as well as for officer in default. Further, in existing provision there is no punishment for continuing default but in proposed provision, there is continuing penalty for continuing default subject to maximum amount of penalty for company as well as for officer in default.
44.	178(8): Punishment for contravention of provisions of Audit	In case of any contravention of the provisions of section 177 and this section, the company shall be punishable with fine	In case of any contravention of the provisions of section 177 and this section, the company shall be liable to a penalty of five lakh	In proposed provision, word “penalty” has been substituted in place of word “fine” and also there is no



	Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee	which shall not be less than one lakh rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both:	rupees and every officer of the company who is in default shall be liable to a penalty of one lakh rupees.	minimum or maximum penalty for company as well as officer in default, now, there is only single amount of penalty i.e. Rs. 5,00,000 for company and Rs. 50,000 for officer in default. Further, Central Government has waived off the imprisonment for officer in default.
45.	184(4): Punishment for non-disclosure of interest by Director as per provisions of Section 184	If a director of the company contravenes the provisions of sub-section (1) or subsection (2), such director shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to one lakh rupees, or with both.	If a director of the company contravenes the provisions of sub-section (1) or subsection (2), such director shall be liable to a penalty of one lakh rupees.	In proposed provision, word “penalty” has been substituted in place of word “fine”. Further, Central Government has waived off the imprisonment for directors who contravenes the provisions of Section 184.
46.	187(4): Punishment for non-compliance of provisions relating to Investments of Company to be held in its own name as per Section 187	If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment	If a company is in default in complying with the provisions of this section, the company shall be liable to a penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees	In proposed provision, word “penalty” has been substituted in place of word “fine” and also there is no minimum or maximum penalty for company as well as officer in default, now, there is only single amount of penalty i.e. Rs. 5,00,000 for company and Rs. 50,000



		for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both		for officer in default. Further, Central Government has waived off the imprisonment for officer in default.
47.	188(5): Punishment for non-compliance of provisions relating to related party transactions	Any director or any other employee of a company, who had entered into or authorised the contract or arrangement in violation of the provisions of this section shall,— (i) in case of listed company, be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees, or with both; and (ii) In case of any other company, be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees.	Any director or any other employee of a company, who had entered into or authorised the contract or arrangement in violation of the provisions of this section shall,— (i) in case of listed company, be liable to a penalty of twenty-five lakh rupees (ii) In case of any other company, be liable to a penalty of five lakh rupees	In proposed provision, word “penalty” has been substituted in place of word “fine”. <u>In case of listed company</u> , there is no minimum or maximum penalty for director or employee, now, there is only single amount of penalty i.e. Rs. 25,00,000 Further, Central Government has waived off the imprisonment for them. In case of any other company, there is no minimum or maximum penalty for director or employee, now, there is only single amount of penalty i.e. Rs. 5,00,000



48.	197(3): Remuneration to directors in case of no profit or inadequate profit	Notwithstanding anything contained in sub-sections (1) and (2), but subject to the provisions of Schedule V, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole time director or manager , by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) hereunder except in accordance with the provisions of Schedule V	Notwithstanding anything contained in sub-sections (1) and (2), but subject to the provisions of Schedule V, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole time director or manager or any other non-executive director, including an independent director , by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) hereunder except in accordance with the provisions of Schedule V	In proposed Bill, if a company fails to make profits or makes inadequate profits in a financial year, then in such case any non-executive director of such company, including an independent director, shall be paid remuneration in accordance with Schedule V of the Act.
49.	204(4): Punishment for contravention of provisions relating to secretarial audit	If a company or any officer of the company or the company secretary in practice, contravenes the provisions of this section, the company, every officer of the company or the company secretary in practice, who is in default, shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees	If a company or any officer of the company or the company secretary in practice, contravenes the provisions of this section, the company, every officer of the company or the company secretary in practice, who is in default, shall be liable to a penalty of two lakh rupees.	In proposed provision, word “penalty” has been substituted in place of word “fine” and also, there is no minimum and maximum penalty as in case of existing provision, there is only single amount penalty of Rs. 2,00,000.



50.	232(8): Punishment for contravention of provisions relating to merger and amalgamation of companies	If a transferor company or a transferee company contravenes the provisions of this section, the transferor company or the transferee company, as the case may be, shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and every officer of such transferor or transferee company who is in default, shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees, or with both	If a company fails to comply with sub-section (5), the company and every officer of the company who is in default shall be liable to a penalty of twenty thousand rupees, and where the failure is a continuing one, with a further penalty of one thousand rupees for each day after the first during which such failure continues, subject to a maximum of three lakh rupees	In proposed provision, word “penalty” has been substituted in place of word “fine” and there is no minimum and maximum penalty for company and officer in default, now, there is only single penalty of Rs. 20,000 for companies as well as for officer in default. Further, in existing provision there is no punishment for continuing default but in proposed provision, there is continuing penalty for continuing default subject to maximum amount of penalty for company as well as for officer in default. Furthermore, Central Government has waived off the imprisonment for officer in default.
51.	242(8): Punishment for non-compliance of order made by Tribunal under Section 242	If a company contravenes the provisions of sub-section (5), the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and	If a company contravenes the provisions of sub-section (5), the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company	In proposed provision, there is no imprisonment for officer in default for non-compliance of order made by Tribunal u/s 242



		every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both	who is in default shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.	
52.	243(2): Consequence of Termination or Modification of Certain Agreements	Any person who knowingly acts as a managing director or other director or manager of a company in contravention of clause (b) of sub-section (1) or sub-section (1A), and every other director of the company who is knowingly a party to such contravention, shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five lakh rupees, or with both.	Any person who knowingly acts as a managing director or other director or manager of a company in contravention of clause (b) of sub-section (1) or sub-section (1A), and every other director of the company who is knowingly a party to such contravention, shall be punishable with fine which may extend to five lakh rupees.	In proposed provision, there is no imprisonment for officer in default in case of Termination or Modification of Certain Agreements.
53.	247(3): Punishment for valuer if he contravenes the provisions of Section 247	If a valuer contravenes the provisions of this section or the rules made thereunder, the valuer shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.	If a valuer contravenes the provisions of this section or the rules made thereunder, the valuer shall be liable to a penalty of fifty thousand rupees	In proposed provision, word “penalty” has been substituted in place of word “fine” and also, there is no minimum and maximum penalty as in case of existing provision, there is only single amount penalty of Rs. 50,000.



54.	284(2): Punishment for non-cooperation with the Company Liquidator	Where any person, without reasonable cause, fails to discharge his obligations under sub-section (1), he shall be punishable with imprisonment which may extend to six months or with fine which may extend to fifty thousand rupees, or with both.	<p>In proposed provision, sub-section(2) has been substituted with new provision also a new sub-section (3) has been inserted as follows:</p> <p>Section 284(2): If any person required to assist or cooperate with the Company Liquidator under sub-section (1) does not assist or cooperate, the Company Liquidator may make an application to the Tribunal for necessary directions.</p> <p>Section 284(3): On receiving an application under sub-section (2), the Tribunal shall, by an order, direct the person required to assist or cooperate with the Company Liquidator to comply with the instructions of the Company Liquidator and to cooperate with him in discharging his functions and duties.</p>	<p>In proposed provision, Central Government has waived off the punishment.</p> <p>Now, Company Liquidator may make application to Tribunal If any person required to assist or cooperate with him does not assist or cooperate and the Tribunal shall make an order to such person accordingly.</p>



55.	302(3): Filing of copy of order of dissolution of Company with the Registrar by Company Liquidator	A copy of the order shall, within thirty days from the date thereof, be forwarded by the Company Liquidator to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company.	The Tribunal shall, within a period of thirty days from the date of the order,— (a) forward a copy of the order to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company; and (b) direct the Company Liquidator to forward a copy of the order to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company.	In existing provision, Company Liquidator is liable to forward a copy of order for dissolution of company to Registrar but in proposed provision Tribunal is required to forward a copy of resolution to Registrar and Company Liquidator on direction of Tribunal shall also forward a Copy of order for dissolution to Registrar who shall record in the register relating to the company a minute of the dissolution of the company.
56.	302(4): Punishment for Liquidator if he does not file the copy of order of dissolution to the Registrar	If the Company Liquidator makes a default in forwarding a copy of the order within the period specified in sub-section (3), the Company Liquidator shall be punishable with fine which may extend to five thousand rupees for every day during which the default continues.	In proposed amendment, this section is to be omitted	In proposed provision, there is no punishment for liquidator.



57.	342(6): Prosecution for not providing assistance by liquidator or any other person under Section 342(5)	If a person fails or neglects to give assistance required by sub-section (5), he shall be liable to pay fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.	In proposed amendment, this section is to be omitted	In proposed provision, there is no prosecution even if liquidator or any other person does not provide any assistance under Section 342(5)
58.	347(4): Punishment for non-compliance of provision relating to Disposal of Books and Papers of Company	If any person acts in contravention of any rule framed or an order made under sub-section (3), he shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to fifty thousand rupees, or with both	If any person acts in contravention of any rule framed or an order made under sub-section (3), he shall be punishable with fine which may extend to fifty thousand rupees.	In proposed provision, Central Government has waived off the imprisonment for the person who contravenes the provisions of Section 347
59.	348(6): Punishment for non-compliance of Section 348 which contains the provisions relating to Pending Liquidations	If a Company Liquidator contravenes the provisions of this section, the Company Liquidator shall be punishable with fine which may extend to five thousand rupees for every day during which the failure continues	Where a Company Liquidator, who is an insolvency professional registered under the Insolvency and Bankruptcy Code, 2016 is in default in complying with the provisions of this section, then such default shall be deemed to be a contravention of the provisions of the said Code, and the rules and regulations made thereunder for the purposes of proceedings under Chapter VI of Part IV of that Code	In proposed provision, there is no punishment for Company Liquidator under Companies Act, 2013 for contravention of Section 348. Now, he will be punishable under the provisions of Insolvency and Bankruptcy Code, 2016.



60.	348(7): Punishment for non-compliance of Section 348 which contains the provisions relating to Information as to Pending Liquidations	If a Company Liquidator makes wilful default in causing the statement referred to in sub-section (1) audited by a person who is not qualified to act as an auditor of the company, the Company Liquidator shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to one lakh rupees, or with both	In proposed amendment, this section is to be omitted.	In proposed provision, there is no punishment for Company Liquidator if he makes willful default under Section 348(1).
61.	356(2): Filing of copy of order made by Tribunal in relation to declaring the dissolution of Company void to Registrar and punishment for non-compliance of same	It shall be the duty of the Company Liquidator or the person on whose application the order was made, within thirty days after the making of the order or such further time as the Tribunal may allow, to file a certified copy of the order with the Registrar who shall register the same, and if the Company Liquidator or the person fails so to do, the Company Liquidator or the person shall be punishable with fine which may extend to ten thousand rupees for every day during which the default continues.	The Tribunal shall— (a) forward a copy of the order, within thirty days from the date thereof, to the Registrar who shall record the same; and (b) direct the Company Liquidator or the person on whose application the order was made, to file a certified copy of the order, within thirty days from the date thereof or such further period as allowed by the Tribunal, with the Registrar who shall record the same	In proposed provision, copy of order made by Tribunal under Section 356 shall be forward to the ROC by Tribunal as well as by Company Liquidator or the person who has made application under Section 356 for declaring the dissolution of Company void. Further, there is no imprisonment for Company Liquidator or the person making such application if he does not file the copy of order to ROC.



62.	Chapter XXIA: Provisions relating to Producer Company	In existing provision, Chapter XXIA does not exist.	In Companies(Amendment)Bill, 2020, Central Government has introduced a new Chapter XXI A which contains the provisions relating to producer Company which consists the Sections from 378 A to 378ZU	Currently, the provisions relating to producer companies under Companies Act, 1956 are applicable on producer company. In proposed bill, Central Government has introduced a new Chapter XXIA under Companies Act, 2013 for producer companies.
63.	Proviso to Section 379(1): Power of Central Government to exempt any class of foreign companies from complying the provisions of the Act	Provided that the Central Government may, by Order published in the Official Gazette, exempt any class of foreign companies, specified in the Order, from any of the provisions of sections 380 to 386 and sections 392 and 393 and a copy of every such Order shall, as soon as may be after it is made, be laid before both Houses of Parliament.	In proposed amendment, this proviso is to be omitted	In proposed provision, Central Government has deleted power to exempt any class of foreign companies from complying the provisions of Sections 380 to 386 and Sections 392 and 393 from this Section. It has inserted a new Section 393A for same in which Central Government has power to exempt any class of foreign companies from complying the provisions of Section 387 to 391 too.



64.	392: Punishment for contravention the provisions of Chapter XXII of the Act which contains the provisions regarding Companies Incorporated Outside India (Foreign Company)	Without prejudice to the provisions of section 391, if a foreign company contravenes the provisions of this Chapter, the foreign company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and in the case of a continuing offence, with an additional fine which may extend to fifty thousand rupees for every day after the first during which the contravention continues and every officer of the foreign company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees, or with both.	Without prejudice to the provisions of section 391, if a foreign company contravenes the provisions of this Chapter, the foreign company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and in the case of a continuing offence, with an additional fine which may extend to fifty thousand rupees for every day after the first during which the contravention continues and every officer of the foreign company who is in default shall be punishable with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees.	In proposed provision, there is no imprisonment for the officer in default for contravening the provisions of Chapter XXII of the Act.
65.	393A: Power of Central Government to exempt any class of foreign companies from complying the provisions of Chapter XXII of the Act which contains the	In existing provision, Section 393A does not exist.	In Companies(Amendment)Bill, 2020, a new Section 393A is to be inserted as follow: The Central Government may, by notification, exempt any class of— (a) foreign companies;	In proposed provision, Central Government has power to exempt foreign company any class of company incorporated or to be incorporated outside India from complying all the



	<p>provisions regarding Companies Incorporated Outside India (Foreign Company)</p>		<p>(b) companies incorporated or to be incorporated outside India, whether the company has or has not established, or when formed may or may not establish, a place of business in India, as may be specified in the notification, from any of the provisions of this Chapter and a copy of every such notification shall, as soon as may be after it is made, be laid before both Houses of Parliament</p>	<p>sections of Chapter XXII.</p> <p>In existing provision, Central Government has such power only for Foreign company which is given under proviso to Section 379(1)</p>
66.	<p>Third proviso to Section 403: Fee for late filing</p>	<p>Provided also that where there is default on two or more occasions in submitting, filing, registering or recording of the document, fact or information, it may, without prejudice to any other legal action or liability under this Act, be submitted, filed, registered or recorded, as the case may be, on payment of a higher additional fee, as may be prescribed and which shall not be lesser than twice the additional fee provided under the first or the second proviso as applicable</p>	<p>Provided also that where there is default on two or more occasions in submitting, filing, registering or recording of such document, fact or information, as may be prescribed, it may, without prejudice to any other legal action or liability under this Act, be submitted, filed, registered or recorded, as the case may be, on payment of such higher additional fee, as may be prescribed</p>	<p>In proposed provision, there is no minimum additional fees in case of default on two or more occasions in submitting, filing, registering or recording of such document, fact or information, as may be prescribed,</p>



67.	405(4): Punishment for non-compliance of order made by Central Government in relation to direct companies to furnish information or statistics	If any company fails to comply with an order made under sub-section (1) or subsection (3), or knowingly furnishes any information or statistics which is incorrect or incomplete in any material respect, the company shall be punishable with fine which may extend to twenty-five thousand rupees and every officer of the company who is in default, shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to three lakh rupees, or with both.	If any company fails to comply with an order made under sub-section (1) or sub-section (3), or furnishes any information or statistics which is incorrect or incomplete in any material respect, the company and every officer of the company who is in default shall be liable to a penalty of twenty thousand rupees and in case of continuing failure, with a further penalty of one thousand rupees for each day after the first during which such failure continues, subject to a maximum of three lakh rupees	In proposed provision, word “penalty” has been substituted in place of word “fine” and there is no minimum and maximum penalty for company and officer in default, now, there is only single penalty of Rs. 20,000 for companies as well as for officer in default. Further, <ol style="list-style-type: none">1. In existing provision there is no punishment for continuing default but in proposed provision, there is continuing penalty for continuing default subject to maximum amount of penalty for company as well as for officer in default.2. In existing provision, there is penalty for those who knowingly made the default but in Proposed provision, furnish incorrect data both in
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				<p>mala-fide as well bona-fide will attract penalty.</p> <p>Furthermore, Central Government has waived off the imprisonment for officer in default.</p>
68.	410: Constitution of Appellate Tribunal	<p>The Central Government shall, by notification, constitute, with effect from such date as may be specified therein, an Appellate Tribunal to be known as the National Company Law Appellate Tribunal consisting of a chairperson and such number of Judicial and Technical Members, not exceeding eleven, as the Central Government may deem fit, to be appointed by it by notification, for hearing appeals against,—</p> <p>(a) the order of the Tribunal or of the National Financial Reporting Authority under this Act; and</p> <p>(b) any direction, decision or order referred to in section</p>	<p>The Central Government shall, by notification, constitute, with effect from such date as may be specified therein, an Appellate Tribunal to be known as the National Company Law Appellate Tribunal consisting of a chairperson and such number of Judicial and Technical Members, as the Central Government may deem fit, to be appointed by it by notification, for hearing appeals against,—</p> <p>(a) the order of the Tribunal or of the National Financial Reporting Authority under this Act; and</p> <p>(b) any direction, decision or order referred to in section 53A of the Competition Act, 2002 in accordance with the provisions of that Act</p>	<p>In proposed provision, there is no limit on maximum number of members of Appellate Tribunal.</p> <p>Further, Section 53N of Competition Act, 2002 has been substituted with Section 53A of Competition Act, 2002.</p>



		53N of the Competition Act, 2002 in accordance with the provisions of that Act		
69.	418A: Bench of Appellate Tribunal	In existing provision, Section 418A does not exist.	<p>In proposed amendment, Section 418A is to be inserted as follow:</p> <p>Section 418A(1): The powers of the Appellate Tribunal may be exercised by the Benches thereof to be constituted by the Chairperson:</p> <p>Provided that a Bench of the Appellate Tribunal shall have at least one Judicial Member and one Technical Member.</p> <p>Section 418A(2): The Benches of the Appellate Tribunal shall ordinarily sit at New Delhi or such other places as the Central Government may, in consultation with the Chairperson, notify.</p> <p>Provided that the Central Government may, by notification, after consultation with the Chairperson, establish such number of Benches of the Appellate Tribunal, as it may</p>	In Companies Amendment Bill, 2020, Central Government has inserted a new sections relating to power, sitting and constitution of Bench of Appellate Tribunal.



			consider necessary, to hear appeals against any direction, decision or order referred to in section 53A of the Competition Act, 2002 and under section 61 of the Insolvency and Bankruptcy Code, 2016	
70.	435(1): Establishment of Special Courts	The Central Government may, for the purpose of providing speedy trial of offences under this Act , by notification, establish or designate as many Special Courts as may be necessary.	The Central Government may, for the purpose of providing speedy trial of offences under this Act, except under section 452 , by notification, establish or designate as many Special Courts as may be necessary.	In existing provision, Special Court has power to deal with any offences under this Act. However, in proposed provision, Special Court is not available for the offences relating to wrongful withholding of property under Section 452.
71.	441(5): Compounding of certain offences	Any officer or other employee of the company who fails to comply with any order made by the Tribunal or the Regional Director or any officer authorised by the Central Government under sub-section (4) shall be punishable with imprisonment for a term which may extend to six months, or with fine not exceeding one lakh rupees, or with both	If any officer or other employee of the company who fails to comply with any order made by the Tribunal or the Regional Director or any officer authorised by the Central Government under sub-section (4), the maximum amount of fine for the offence proposed to be compounded under this section shall be twice the amount provided in the corresponding section in which punishment for such offence is provided.	In proposed provision, amount of fine has been changed for non complying the compounding order made by Tribunal or Regional Director.



72.	446B: Lesser penalties for One Person Companies or Small Companies.	Notwithstanding anything contained in this Act, if a One Person Company or a small company fails to comply with the provisions of sub-section (5) of section 92, sub-section (2) of section 117 or sub-section (3) of section 137, such company and officer in default of such company shall be liable to a penalty which shall not be more than one half of the penalty specified in such sections	Notwithstanding anything contained in this Act, if penalty is payable for non-compliance of any of the provisions of this Act by a One Person Company, small company, start-up company or Producer Company, or by any of its officer in default, or any other person in respect of such company, then such company, its officer in default or any other person, as the case may be, shall be liable to a penalty which shall not be more than one-half of the penalty specified in such provisions subject to a maximum of two lakh rupees in case of a company and one lakh rupees in case of an officer who is in default or any other person, as the case may be. Explanation. —For the purposes of this section,— (a) "Producer Company" means a company as defined in clause (l) of section 378A; (b) "start-up company" means a private company incorporated under this Act or under the Companies Act, 1956 and recognised as start-up in accordance with the notification	In proposed provision, Central Government has widened the scope of Section 446B, now, it is also applicable on start –up company and producer company along with Small Company and One person Company. Further, Central Government has also imposed maximum penalty for company as well as for officer in default.
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			issued by the Central Government in the Department for Promotion of Industry and Internal Trade.'	
73.	450: Punishment where no specific penalty or punishment is provided (Residuary Penalty Section)	If a company or any officer of a company or any other person contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be punishable with fine which may extend to ten thousand rupees, and where the contravention is continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the	If a company or any officer of a company or any other person contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of two lakh rupees in case of a company and fifty thousand rupees in case of an officer who is in default or any other person	In proposed provision, word "penalty" has been substituted in place of word "fine". Further, Central Government has introduced maximum amount of penalty in case of continuing default.



		contravention continues.		
74.	Proviso to Section 452(2): Punishment for Wrongful Withholding of Property	In existing provision, proviso to section 452(2) does not exist	In proposed amendment, proviso to section 452(2) is inserted as follows: Provided that the imprisonment of such officer or employee, as the case may be, shall not be ordered for wrongful possession or withholding of a dwelling unit, if the court is satisfied that the company has not paid to that officer or employee, as the case may be, any amount relating to— (a) provident fund, pension fund, gratuity fund or any other fund for the welfare of its officers or employees, maintained by the company; (b) compensation or liability for compensation under the Workmen's Compensation Act, 1923 in respect of death or disablement.	In proposed provision, Central Government has waived off the imprisonment for wrongful withholding of property in certain circumstances.
75.	Proviso to Section 454(3): Adjudication of Penalties	In existing provision, proviso to section 454(3) does not exist	Provided that in case the default relates to non-compliance of sub-section (4) of section 92 or sub-section (1) or sub-section (2) of section 137 and such default has	In proposed provision, Central Government has waived off the penalty for non-compliance of provisions of Section 92(4),



			<p>been rectified either prior to, or within thirty days of, the issue of the notice by the adjudicating officer, no penalty shall be imposed in this regard and all proceedings under this section in respect of such default shall be deemed to be concluded.</p>	<p>137(1) and 137(2) if the default make good either prior to, or within thirty days of, the issue of the notice by the adjudicating officer</p>
76.	<p>First proviso to Section 465(1): Repeal of Certain Enactments and Saving</p>	<p>Provided that the provisions of Part IX A of the Companies Act, 1956 shall be applicable mutatis mutandis to a Producer Company in a manner as if the Companies Act, 1956 has not been repealed until a special Act is enacted for Producer Companies.</p>	<p>In proposed amendment, proviso to Section 465(1) is to be omitted</p>	<p>In proposed Bill, Central Government has introduced new Chapter XXIA for producer companies under Companies Act, 2013, therefore, provisions in relation to producer companies under Companies Act, 1956 would not be applicable.</p>