

## The Companies (Amendment) Bill, 2020

The lower house (Lok Sabha) and the upper house (Rajya Sabha) of the Parliament has passed the Companies (Amendment) Bill, 2020 ("**Bill**") on September 19, 2020 and September 22, 2020 respectively. There are 66 clauses in the Bill through which amendments are proposed in various sections of the Companies Act, 2013 ("**Act**").

The major amendments are as follows:

- (i) Decriminalization of various non-compoundable offences under the Act.
- (ii) Reduction in quantum of penalty for certain offences by small companies, one person companies and start-up companies.
- (iii) Introduction of a new chapter on producer companies.
- (iv) Exclusion of certain classes of companies from the definition of listed company.
- (v) Exemption to certain class of persons from complying with the requirements of declaration of beneficial holding.
- (vi) Extension of the provision related to payment of remuneration to executive directors to non-executive directors including independent directors;
- (vii) Exemption to companies with a CSR liability of up to INR 50 Lakh a year from setting up of CSR Committees.
- (viii) Establishment of new benches of National Company Law Appellate Tribunal (NCLAT);

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We continue business as usual and our attorneys and staff are available to provide our clients uninterrupted service. Please do not hesitate to reach out with questions or concerns at any time. We hope that you and your family remain healthy and safe throughout this global health challenge.

Dr Gopal Das Bhawan, 14th Floor, 28, Barakhamba Road, New Delhi - 110 001

Tel : +91 11 4213 0000 | Fax: +91 11 4213 0099

Bajaj Bhawan, 1st Floor, 226, Nariman Point, Mumbai - 400 021

Tel : +91 22 4910 0000 | Fax: +91 22 4910 0099

W : [www.clasislaw.com](http://www.clasislaw.com)

E: [info@clasislaw.com](mailto:info@clasislaw.com)