

AMIT TALDA CLASSES

Building Conceptions....

COMPANY LAW (NEW SYLLABUS) CS EXECUTIVE

IMPORTANT AMENDMENTS FOR EXAMS

AMENDMENTS APPLICABLE TO JUNE 2021 EXAMS

All Amendments from 1ST JULY 2020 TO 31ST DEC 2020

PLEASE NOTE:

1. These Amendments are directly prepared from MCA Website. So, we have tried to cover all relevant amendments for Executive Level Exams.
2. ICSI Also comes up with Amendments through Supplement. Once that Supplement comes, we will compare our notes with ICSI Supplement and if something is required to be changed it will be informed separately.

Sr.	Section Number	Old Provision	New Provision	Remarks
1.	Section 26(9) Contents of Prospectus CA 2020 w.e.f 21st December 2020	(9) 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 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 rupee, or with both;	(9) 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 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 rupee.	Punishment of Imprisonment removed
2.	Section 40 (5) Securities to be dealt with in Stock Exchanges CA 2020 w.e.f 21st December 2020	(5) 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;	(5) 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].	Punishment of Imprisonment removed
3.	Section 48 (5) Variation of	(5) Where any default is made in complying with the provisions of this section, the company shall be	Omitted	Penal provisions removed

	Shareholder's Right CA 2020 w.e.f 21st December 2020	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 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.		
4.	Section 56 Transfer and Transmission of Securities CA 2020 w.e.f 21st December 2020	(6) 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.	(6) 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.	
5.	Section 59 Rectification of Register of Members CA 2020 w.e.f 21st December 2020	(5) If any default is made in complying with the order of the Tribunal under this section, the company shall be punishable with fine 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 one lakh rupees	Omitted	Penal provisions removed

		but which may extend to three lakh rupees, or with both.		
6.	Section 64 Notice to be Given to Registrar for Alteration of Share Capital CA 2020 w.e.f 21st December 2020	2) 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;	2) 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 one lakh rupees in case of an officer who is in default.	Penalty clause changed
7.	Section 66 Reduction of Share Capital CA 2020 w.e.f 21st December 2020	(11) 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;	Omitted	Penal provisions removed
8.	Section 68 Power of Company to Purchase its Own Securities CA 2020 w.e.f 21st December 2020	(11) 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 <u>with imprisonment for a term which may extend to three years</u>	(11) 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	Punishment of Imprisonment removed

		or with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees <u>or with both;</u>	be less than one lakh rupees but which may extend to three lakh rupees.	
9.	Section 71 Debentures CA 2020 w.e.f 21st December 2020	(11) If any default is made in 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;	Omitted	
10.	Section 86 Punishment for Contravention (Registration of Charges) CA 2020 w.e.f 21st December 2020	(1) 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.	(1) 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.	Punishment of Imprisonment removed
11.	Section 88 Register of Members, etc.	(5) 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 sub-section (1)	(5) 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 sub-section (1) or sub-section	

	CA 2020 w.e.f 21st December 2020	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.	(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.	
12.	Section 89 Declaration in Respect of Beneficial Interest in any Share CA 2020 w.e.f 21st December 2020	(5) 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. (7) 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 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	<u>Sub Section 5 Substituted:</u> (5) 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. <u>Sub Section 7 Substituted:</u> (7) 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 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.	

		thousand rupees for every day after the first during which the failure continues.		
13.	Section 90 Register of significant beneficial owners in a company CA 2020 w.e.f 21st December 2020	(10) If any person fails to make a declaration as required under 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. (11) 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 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.	<u>Sub Section 10 & 11 Substituted:</u> (10) If any person fails to make a declaration as required under sub-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. (11) 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 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.	

14.	Section 92 Annual Return CA 2020 w.e.f 21st December 2020	(5) 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 <u>fifty thousand rupees</u> and in case of continuing failure, with further penalty of one hundred rupees for each day during which such failure continues, <u>subject to a maximum of five lakh rupees</u>. (6) 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 <u>punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees</u>.	(5) 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 <u>ten thousand rupees</u> and in case of continuing failure, with further penalty of one hundred rupees for each day during which such failure continues, <u>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</u>. (6) 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 <u>liable to a penalty of two lakh rupees</u>.	
15.	Section 105(5) Proxies CA 2020 w.e.f 21st December 2020	(5) 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:	(5) 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: Provided that an officer shall not be liable	

		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 member entitled to vote at the meeting by proxy.	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.	
16.	Section 117 Resolutions and Agreements to be Filed CA 2020 w.e.f 21st December 2020	(2) If a company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified therein, 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 who is in default, including liquidator of the company, if any, shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.	<u>Sub Section 2 Substituted:</u> (2) 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.	
17.	Section 128(6) Books of	(6) If the managing director, the whole-time director in charge of finance, the Chief Financial Officer or any other	(6) If the managing director, the whole-time director in charge of finance, the Chief Financial Officer or any other person of a	Punishment of Imprisonment

	Account, etc., to be kept by Company CA 2020 w.e.f 21st December 2020	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.	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.	removed
18.	Section 134 Financial Statement, Board's Report, etc. CA 2020 w.e.f 21st December 2020	(8) 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 rupees, or with both.	<u>Sub Section 8 Substituted:</u> (8) 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.	Punishment of Imprisonment removed
19.	Section 137 Copy of Financial Statement to be Filed with Registrar	(3) 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	(3) 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	

	CA 2020 w.e.f 21st December 2020	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 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 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.	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 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 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.	
20.	Section 140 Removal, Resignation of Auditor and Giving of Special Notice CA 2020 w.e.f 21st December 2020	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 rupees.	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.	Penalty Lowered

21.	Section 143(15) Powers and Duties of Auditors and Auditing Standards CA 2020 w.e.f 21st December 2020	(15) 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.	<u>Sub Section 15 Substituted:</u> (15) 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.	
22.	Section 147(1) Punishment for Contravention Audit & Auditors CA 2020 w.e.f 21st December 2020	(1) 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.	(1) 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.	Punishment of Imprisonment removed
23.	Section 165 Number of Directorships CA 2020 w.e.f 21st December 2020	(6) 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.	(6) 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.	Penalty relaxed

24.	Section 167 Vacation of Office of Director CA 2020 w.e.f 21st December 2020	(2) 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 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.	(2) 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 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.	Punishment of Imprisonment removed
25.	Section 172 Punishment Appointment & Qualification of Director CA 2020 w.e.f 21st December 2020	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.	
26.	Section 178 Nomination and Remuneration Committee and Stakeholders Relationship	(8) In case of any contravention of the provisions of section 177 and this section, the company shall be punishable with fine 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	(8) 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 rupees and every officer of the company who is in default shall be liable to a penalty of one lakh rupees.	Punishment of Imprisonment removed

	Committee CA 2020 w.e.f 21st December 2020	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.		
27.	Section 184 Disclosure of Interest by Director CA 2020 w.e.f 21st December 2020	(4) 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.	(4) 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.	Punishment of Imprisonment removed
28.	Section 187 Investments of Company to be Held in its Own Name CA 2020 w.e.f 21st December 2020	(4) 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 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.	(4) 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.	Imprisonment removed & penalty changed
29.	Section 188	(5) Any director or any other employee of a company, who had entered into or	(5) Any director or any other employee of a company, who had entered into or	Imprisonment removed &

	Related Party Transactions CA 2020 w.e.f 21st December 2020	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.	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; and (ii) In case of any other company, be liable to a penalty of five lakh rupees.	penalty changed
30.	Section 204 Secretarial Audit for Bigger Companies CA 2020 w.e.f 21st December 2020	(4) 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.	(4) 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.	
31.	Section 232 Merger and Amalgamation of Companies.	(8) 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	<u>Sub Section 8 Substituted:</u> (8) 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	Punishment of Imprisonment removed

	CA 2020 w.e.f 21st December 2020	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.	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	
32.	Section 242 Powers of Tribunal CA 2020 w.e.f 21st December 2020	(8) 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 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.	(8) 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 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.	Punishment of Imprisonment removed
33.	Section 243 Consequence of Termination or Modification of Certain Agreements CA 2020 w.e.f 21st	(2) 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	(2) 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	Punishment of Imprisonment removed

	December 2020	may extend to six months or with fine which may extend to five lakh rupees, or with both.	extend to five lakh rupees, or with both.	
34.	Section 441 Compounding of Certain Offences CA 2020 w.e.f 21st December 2020	(5) 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.	(5) 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.	Substituted
35.	Section 450 Punishment Where No Specific Penalty or Punishment is Provided. CA 2020 w.e.f 21st December 2020	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	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	

		further fine which may extend to one thousand rupees for every day after the first during which the contravention continues.	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.	
36.	Companies (CSR policy) Rules 2014 w.e.f. 24th August 2020	<u>Rule 2: Definitions</u> “CSR Policy” relates to the activities to be undertaken by the company in areas or subjects specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company; <u>Rule 4: CSR Activities</u> (1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business. <u>Rule 6: CSR Policy</u> 1) The CSR Policy of the company shall, inter-alia, include the following namely :- (a) a list of CSR projects or programs which a company plans to undertake [areas or subjects specified in] of the Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation	<u>Proviso inserted in Definition of CSR Policy:</u> Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23 subject to the conditions that- (i) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act. (ii) details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board’s Report. <u>Rule 4: CSR Activities</u> (1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business. (words omitted)	

		schedules for the same; and (b) monitoring process of such projects or programs: Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company. Provided further that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the areas or subjects specified in Schedule VII of the Act.	<u>Rule 6: CSR Policy</u> 1) The CSR Policy of the company shall, inter-alia, include the following namely :- (a) a list of CSR projects or programs which a company plans to undertake areas or subjects specified in of the Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation schedules for the same; and (b) monitoring process of such projects or programs: Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company. Provided further that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the areas or subjects specified in Schedule VII of the Act.	
37.	Companies (Appointment & Qualification of Directors) Rules, 2014	<u>Rule 6: Compliances required by a person eligible and willing to be appointed as an independent director.</u> <u>Sub Rule 4:</u>	<u>Rule 6: Compliances required by a person eligible and willing to be appointed as an independent director.</u> <u>Sub Rule 4: (Amendment w.e.f. 18.12.2020)</u>	

	(4) Every individual whose name is so included in the data bank under sub-rule (1) shall pass an online proficiency self-assessment test conducted by the institute within a period of <u>one year</u> from the date of inclusion of his name in the data bank, failing which, his name shall stand removed from the databank of the institute. <u>Sub Rule 1:</u> (1) Every individual – (a) who has been appointed as an independent director in a company, on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, shall within a period of <u>ten months</u> (30th September 2020) from such commencement; or (b) who intends to get appointed as an independent director in a company after such commencement, shall before such appointment, apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time take steps as specified in sub-rule (2), till he continues to hold the office of an independent director in any company.	(4) Every individual whose name is so included in the data bank under sub-rule (1) shall pass an online proficiency self-assessment test conducted by the institute within a period of <u>Two years</u> from the date of inclusion of his name in the data bank, failing which, his name shall stand removed from the databank of the institute. <u>Sub Rule 1: (Amendment w.e.f 28.09.2020)</u> (1) Every individual – (a) who has been appointed as an independent director in a company, on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, shall within a period of <u>Thirteen months</u> (31st December 2020) from such commencement; or (b) who intends to get appointed as an independent director in a company after such commencement, shall before such appointment, apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time take steps as specified in sub-rule (2), till he continues to hold the office of an independent director in any company.	
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	<u>Proviso to Sub Rule 4:</u> Provided that an individual shall not be required to pass the online proficiency self-assessment test, when he has served as a director or key managerial personnel, for a total period of not less than ten years, as on the date of inclusion of his name in the databank, in one or more of the following, namely:- (a) listed public company; or (b) unlisted public company having a paid-up share capital of rupees ten crore or more; or (c) body corporate listed on a recognized stock exchange: Provided further that for the purpose of calculation of the period of ten years referred to in the first proviso, any period during which an individual was acting as a director or as a key managerial personnel in two or more companies or bodies corporate at the same time shall be counted only once.	<u>Proviso to Sub Rule 4: (Substituted w.e.f. 18.12.2020)</u> Provided that an individual shall not be required to pass the online proficiency self-assessment test when he has served for a total period of not less than three years as on the date of inclusion of his name in the data bank, – (A) As a director or key managerial personnel, as on the date of inclusion of his name in the databank, in one or more of the following, namely:- (a) Listed public company; or (b) Unlisted public company having a paid-up share capital of rupees ten crore or more; or (c) Body corporate listed on any recognized stock exchange or in a country which is a member State of the Financial Action Task Force on Money Laundering and the regulator of the securities market in such member State is a member of the International Organization of Securities Commissions; or (d) Bodies corporate incorporate outside India having a paid-up share capital of US\$ 2 million or more; or	
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			(e) Statutory corporations set up under an Act of Parliament or any State Legislature carrying on commercial activities; or (B) in the pay scale of Director or above in the Ministry of Corporate Affairs or the Ministry of Finance or Ministry of Commerce and Industry or the Ministry of Heavy Industries and Public Enterprises and having experience in handling the matters relating to corporate laws or securities laws or economic laws; or (C) in the pay scale of Chief General Manager or above in the Securities and Exchange Board or the Reserve Bank of India or the Insurance Regulatory and Development Authority of India or the Pension Fund Regulatory and Development Authority and having experience in handling the matters relating to corporate laws or securities laws or economic laws: Provided further that for the purpose of calculation of the period of three years referred to in the first proviso, any period during which an individual was acting as a director or as a key managerial personnel in two or more companies or bodies corporate or statutory corporations at the same time shall be counted only once.	
38.	Schedule VII to	(ix) Contribution to incubators funded	(ix) (a) Contribution to incubators or	

	Companies Act 2013 CSR Activities Clause (ix) Substituted w.e.f. 24th August 2020	by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).	research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).	
39.	Companies (Acceptance of Deposits) Rules,	<u>Definition of Deposits: [Rule 2(1)(c)(xvii)]</u> (xvii) an amount of twenty five lakh	<u>Rule 2(1)(c)(xvii)</u> (xvii) an amount of twenty five lakh rupees or more received by a start-up company, by	

	2014 w.e.f 7th September 2020	rupees or more received by a start-up company, by way of a convertible note (convertible into equity shares or repayable within a period not exceeding Five years from the date of issue) in a single tranche, from a person. “start-up company” means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 180 (E) dated 17th February, 2016 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry;	way of a convertible note (convertible into equity shares or repayable within a period not exceeding ten years from the date of issue) in a single tranche, from a person. “start-up company” means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 127 (E), dated the 19th February, 2019 issued by the Department for Promotion of Industry and Internal Trade; <u>Rule 3(3) 2nd Proviso</u> Provided further that the maximum limit in respect of deposits to be accepted from members shall not apply to following classes of private companies, namely:- (i) a private company which is a start-up, for ten years from the date of its incorporation; (ii) a private company which fulfils all of the following conditions, namely:- (a) which is not an associate or a subsidiary company of any other company; (b) the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees,	
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			whichever is less ; and (c) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under section 73: Provided also that all the companies accepting deposits shall file the details of monies so accepted to the Registrar in Form DpT-3.	
40.	Companies (Management & Administration) Rules 2014 Rule 12 Extract of Annual Return w.e.f. 28th August 2020	(1) The extract of the annual return to be attached with the Board's Report shall be in Form No. MGT.9.	<u>Proviso Inserted in Sub Rule 1 of Rule 12: Extract of Annual Return</u> Provided that a company shall not be required to attach the extract of the annual return with the Board's report in Form No. MGT.9, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013	
41.	Companies (Compromises, Arrangements and Amalgamations) Rules 2016 w.e.f. 17th December 2020	-	<u>Clause (e) inserted after Rule 2(1)(d):</u> (e) "corporate action" means any action taken by the company relating to transfer of shares and all the benefits accruing on such shares namely, bonus shares, split, consolidation, fraction shares and right issue to the acquirer". <u>Rule 26 A inserted</u> <u>Purchase of minority shareholding held in demat form:</u>	

			(1) The company shall within two weeks from the date of receipt of the amount equal to the price of shares to be acquired by the acquirer, under section 236 of the Act, verify the details of the minority shareholders holding shares in dematerialised form. (2) After verification under sub-rule (1), the company shall send notice to such minority shareholders by registered post or by speed post or by courier or by email about a cut-off date, which shall not be earlier than one month after the date of sending of the notice, on which the shares of minority shareholders shall be debited from their account and credited to the designated DEMAT account of the company, unless the shares are credited in the account of the acquirer, as specified in such notice, before the cut-off date. (3) A copy of the notice served to the minority shareholders under sub-rule (2), shall also be published simultaneously in two widely circulated newspapers (one in English and one in vernacular language) in the district in which the registered office of the company is situated and also be uploaded on the website of the company, if any. (4) The company shall inform the depository immediately after publication	
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			of the notice under sub-rule (3) regarding the cut-off date and submit the following declarations stating that:- (a) the corporate action is being effected in pursuance of the provisions of section 236 of the Act; (b) the minority shareholders whose shares are held in dematerialised form have been informed about the corporate action [a copy of the notice served to such shareholders and published in the newspapers to be attached]; (c) the minority shareholders shall be paid by the company immediately after completion of corporate action; (d) any dispute or complaints arising out of such corporate action shall be the sole responsibility of the company. (5) For the purposes of effecting transfer of shares through corporate action, the Board shall authorise the Company Secretary, or in his absence any other person, to inform the depository under sub-rule (4), and to submit the documents as may be required under the said sub-rule. (6) Upon receipt of information under sub-rule (4), the depository shall make the transfer of shares of the minority shareholders, who have not, on their own, transferred their shares in favour of the	
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			acquirer, into the designated DEMAT account of the company on the cut-off date and intimate the company. (7) After receiving the intimation of successful transfer of shares from the depository under sub-rule (6), the company shall immediately disburse the price of the shares so transferred, to each of the minority shareholders after deducting the applicable stamp duty, which shall be paid by the company, on behalf of the minority shareholders, in accordance with the provisions of the Indian Stamp Act, 1899 (2 of 1899). (8) Upon successful payment to the minority shareholders under sub-rule (7), the company shall inform the depository to transfer the shares of such shareholders, kept in the designated DEMAT account of the companyr TO the DEMAT account of the acquirer. Explanation. - The company shall continue to disburse payment to the entitled shareholders, where disbursement could not be made within the specified time, and transfer the shares to the DEMAT account of acquirer after such disbursement. (9) In case, where there is a specific order of Court or Tribunal, or statutory	
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			authority restraining any transfer of such shares and payment of dividend, or where such shares are pledged or hypothecated under the provisions of the Depositories Act, 1996 (22 of 1996), the depository shall not transfer the shares of the minority shareholders to the designated DEMAT account of the company under sub-rule (6). Explanation. - For the purposes of this rule, if “cut-off date” falls on a holiday, the next working day shall be deemed to be the “cut-off date”.	
42.	Companies (Prospectus and allotment of securities) Rules, 2014 Rule 14(1) w.e.f. 16th October 2020	-	<u>Proviso Inserted:</u> Provided also that in case of offer or invitation of any securities to Qualified Institutional Buyers, it shall be sufficient if the company passes a previous special resolution only once in a year for all the allotments to such buyers during the year.	
43.	Companies (Meetings of Board and its powers) Rules 2014 w.e.f. 28th September 2020	For the period beginning from the commencement of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 and ending on the 30th September, 2020, the meetings on matters referred to in sub-rule (1) may be held through video conferencing or other audio visual	Rule 4(2): Matters not to be dealt with in a meeting through Video Conferencing or other audio visual means For the period beginning from the commencement of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 and ending on the	

		means in accordance with rule 3	31st December, 2020, the meetings on matters referred to in sub-rule (1) may be held through video conferencing or other audio visual means in accordance with rule 3.	
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