



# MCA enforces various provisions of the Companies (Amendment) Act, 2020, aiming at decriminalization

INSIGHTS

December 23, 2020

The MCA has enforced various sections of the Companies (Amendment) Act, 2020 (CAA), with effect from December 21, 2020. The provisions brought into force are majorly dealing with decriminalization under the Companies Act, 2013. In addition to section 1 of CAA (which deals with enforcement of CAA), amendments to following sections of the Companies Act, 2013 as per CAA, have been enforced:

|  |   |   |  |  |   |   |
|--|---|---|--|--|---|---|
| 8<br>(Formation of Companies with Charitable Objects, etc.)                | 26<br>(Matters to be Stated in Prospectus)  | 40<br>(Securities to be Dealt with in Stock Exchanges)                          | 48<br>(Variation of Shareholders' Rights)                                      | 56<br>(Transfer and transmission of securities)  | 59<br>(Rectification of register of members)  | 64<br>(Notice to be given to Registrar for alteration of share capital)                                   |
| 66<br>(Reduction of share capital)   | 68<br>(Power of company to purchase its own securities)   | 71<br>(Debentures)  | 86<br>(Punishment for contravention) – Charge related provisions               | 88<br>(Register of members, etc.)  | 89<br>(Declaration in respect of beneficial interest in any share)  | 90<br>(Investigation of beneficial ownership of shares in certain cases)                                  |
| 92<br>(Annual return)  | 105<br>(Proxies)  | 117<br>(Resolutions and agreements to be filed)                                 | 128<br>(Books of account, etc., to be kept by company)                         | 134<br>(Financial statement, Board's report, etc.)   | 137<br>(Copy of financial statement to be filed with Registrar)   | 140<br>(Removal, resignation of auditor and giving of special notice)                                     |
| 143<br>(Powers and duties of auditors and auditing standards)              | 147<br>(Punishment for contravention) – related to auditors                                       | 165<br>(Number of directorships)  | 167<br>(Vacation of office of director)  | 172<br>(Punishment) – for chapter on appointment and qualification of directors                  | 178<br>(Nomination and Remuneration Committee and Stakeholders Relationship Committee)                            | 184<br>(Disclosure of interest by director)   |
| 187<br>(Investments of company to be held in its own name)                 | 188<br>(Related party transactions)   | 204<br>(Secretarial audit for bigger companies)                                 | 232<br>(Merger and amalgamation of companies)                                  | 242<br>(Powers of Tribunal) – related to oppression & mismanagement                              | 243<br>(Consequence of termination or modification of certain agreements) - related to oppression & mismanagement | 284<br>(Promoters, directors, etc., to cooperate with Company Liquidator) – winding up related provisions |
| 302<br>(Dissolution of company by Tribunal) – winding up related provision | 342<br>(Prosecution of delinquent officers and members of company) – winding up related provision | 347<br>(Disposal of books and papers of company) – winding up related provision | 348<br>(Information as to pending liquidations) – winding up related provision | 356<br>(Power of Tribunal to declare dissolution of company void) – winding up related provision | 392<br>(Punishment for contravention) – related to companies incorporated outside India                           | 405<br>(Power of Central Government to direct companies to furnish information or statistics)             |
| 441<br>(Compounding of certain offences)                                   | 450<br>(Punishment where no specific penalty or punishment is provided)                           |   |  |  |   |   |

The enforcement notification dated December 21, 2020 is [available here](#).