

Insights and Commentary from Dentons

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CORPORATE LEGAL DEVELOPEMNTS

NEWSLETTER SEPTEMBER 2022

Weekly Insights & Updates

26 September 2022

MCA

1. MCA notifies Companies (Specification of definition details) Amendment Rules, 2022

September 15, 2022: Ministry of Corporate Affairs (“MCA”) vide its notification G.S.R. 700 (E) dated September 15, 2022 notified the Companies (Specification of definition details) Amendment Rules, 2022 to amend the Companies (Specification of definition details) Rules, 2014 (“Specification Rules”) wherein the below amendment is brought out:

- Section 2(85) of the Companies Act, 2013 (“Companies Act”) defines a small company as a company other than a public company in which the paid-up share capital does not exceed fifty lakh rupees or such higher amount as prescribed which is not more than ten crore rupees and turnover as per profit and loss account for the immediately preceding financial year does not exceed two crore rupees or such higher amount as prescribed which is not more than one hundred crore rupees. MCA vide its notification G.S.R. 92 (E) dated February 1, 2021 notified the Companies (Specification of Definitions Details) Amendment Rules, 2021 to amend the Specification Rules and insert Rule 2(1)(t) to provide that under Section 2(85) of the Companies Act, the paid-up capital of the small company shall not exceed rupees two crores and the turnover of the small company as per profit and loss account for the immediately preceding financial year, shall not exceed rupees twenty crores. Rule 2(1)(t) of the Specification Rules has now been further amended to state that under Section 2(85) of the Companies Act, the paid-up capital of the small company shall not exceed rupees four crores and the turnover of the small company as per profit and loss account for the immediately preceding financial year, shall not exceed rupees forty crores.
- The notification is effective from September 15, 2022.

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