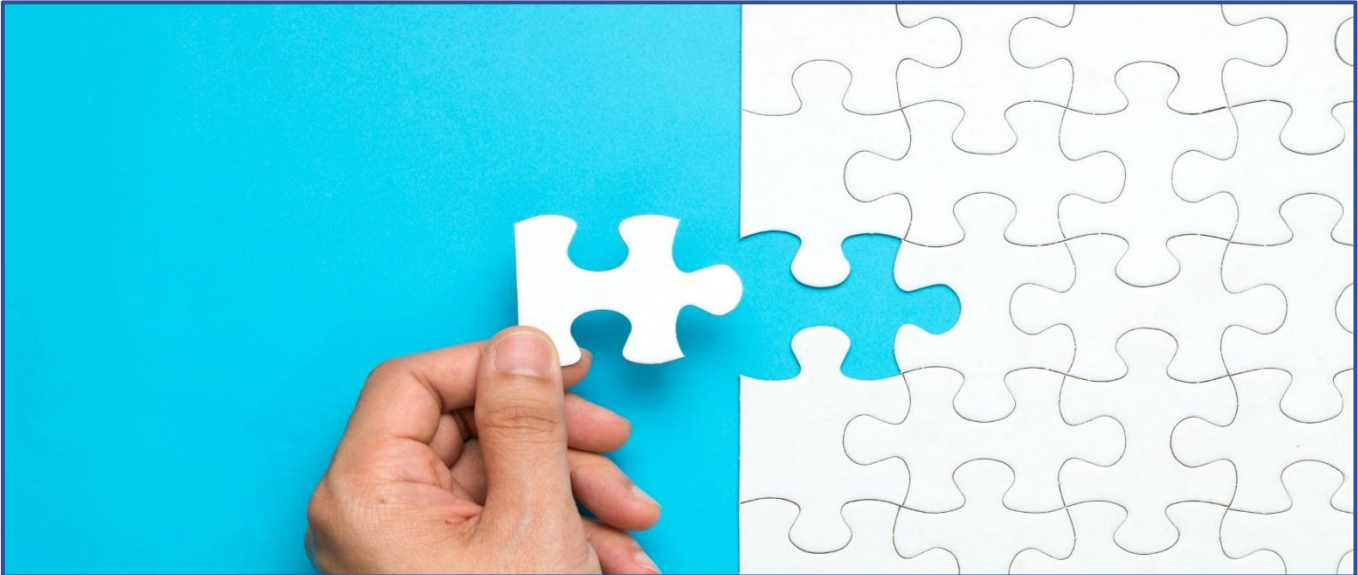


NEWS ALERT

11 June 2026



Corporate Laws (Amendment) Bill, 2026

The Corporate Laws (Amendment) Bill, 2026 ('Bill'), introduced in the Lok Sabha on 23 March 2026, proposes reforms to the Companies Act, 2013 and Limited Liability Partnership Act, 2008 to improve ease of doing business, modernize compliance processes and strengthen corporate governance through a more risk- and outcome-based regulatory approach.

The Bill has been referred to a Joint Parliamentary Committee for detailed review and stakeholder consultation before being reconsidered by Parliament for implementation.

Some key amendments proposed by the Bill are as follows:

- The definition of a 'small company' is proposed to be expanded by increasing the eligibility thresholds as under:
 - Paid-up capital cap from INR 100 million to INR 200 million; and
 - Turnover cap from INR 1 billion to INR 2 billion
- It is proposed to provide that all companies shall hold at least one physical AGM in every three years.
- It is proposed to provide that EGMs may be conducted wholly through virtual mode by giving a minimum notice of at least seven days or such other period as may be prescribed.
- Board meeting requirements for small companies, one-person companies and dormant companies are proposed to be relaxed, requiring only one Board meeting in a calendar year.
- It is proposed that the auditor or audit firm of prescribed class or classes of companies shall not provide, directly or

indirectly, any non-audit services to the company or its holding company or subsidiary. It is further proposed that such restriction shall continue for a period of three years after completion of the audit term.

- The Bill proposes several changes to the buy-back framework, including:
 - Inclusion of shares issued under a scheme linked to the value of the share capital of a company within the buy-back regime;
 - Power to prescribe buy-back limits beyond the existing 25% threshold to certain class of companies;
 - Permission for certain companies to undertake upto two buy-backs within a year, subject to a prescribed gap of six months;
 - Removal of the requirement to verify the declaration of solvency by way of an affidavit
- To facilitate operations in International Financial Services Centre ('IFSCs'), the Bill proposes the following requirements:
 - Companies to be permitted to issue and maintain share capital in any permitted foreign currency; and
 - To maintain books of account and other relevant accounting records in any permitted foreign currency.
- The threshold for applicability of Corporate Social Responsibility ('CSR') provisions based on net profit is proposed to be increased from INR 50 million to INR 100 million (or such amount as may be prescribed).
- Eligibility for voluntary strike-off is proposed to be expanded to include, inter alia, inactive companies that have not carried out any significant accounting transactions during the last two FYs and the current FY and also companies that have failed to file financial statements or annual returns for two consecutive FYs.
- It is proposed that a company's name may be removed from Register of Companies, if it has defaulted in statutory filings of financial statements or annual returns for two consecutive financial years.
- Mandatory professional certification for incorporation of companies/LLPs is proposed to be dispensed with, unless a professional was engaged for the purpose of the incorporation process.
- In case of many routine non-compliances, it is proposed to substitute fines/prosecution with a civil penalty.

Should you wish to discuss any of the above issues in detail or understand the applicability to your specific situation, please feel free to reach out to us on coe@jmpadvisors.in.

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