



KANU DOSHI GROUP

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MCA UPDATES

Amendment in definition of small company (Sec 2 clause 85 of the Companies Act, 2013)

As per Section 2(85) of Companies Act, 2013, “small company” means a company, other than a public company-

- i) **paid-up share capital** of which does not exceed **two crore rupees** or such higher amount as may be prescribed which shall not be more than ten crore rupees; and
- (ii) **turnover** of which as per profit and loss account for the immediately preceding financial year does not exceed **twenty crore rupees** or such higher amount as may be prescribed which shall not be more than one hundred crore rupees.

A **latest notification** issued by the Ministry effective 15th September, 2022 said that “In the Companies (Specification of definition details) Rules, 2014, in rule 2, in sub-rule (1), for clause (t), the following clause shall be substituted, namely:- “(t) For the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, **paid up capital** and **turnover** of the small company shall not exceed **four crore rupees** and **forty crore rupees** respectively.”

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