

## THE CORPORATE LAWS (AMENDMENT) BILL, 2026

The Corporate Laws (Amendment) Bill, 2026 (Bill No. 85 of 2026) is an omnibus legislation introduced in the Lok Sabha that proposes amendments to two principal statutes:

- **The Limited Liability Partnership Act, 2008 (LLP Act)-Chapters I & II**
- **The Companies Act, 2013-Chapter III**

The Bill seeks to strengthen India's regulatory architecture for corporate entities, expand the IFSC ecosystem, significantly overhaul the oversight of auditors and valuers, liberalise merger and amalgamation procedures, decriminalise several procedural offences, and enhance governance norms for directors and KMPs.

### Key Highlights:

#### A. AMENDEMENTS PROPOSED TO THE COMPANIES ACT 2013

S. No.	Area	Key Changes
1.	<b>Small Company</b> Section-2(85)	<ul style="list-style-type: none"> <li>• Paid-up capital threshold revised from Rs. 10 cr to Rs. 20 cr.</li> <li>• Turnover threshold revised from Rs. 100 cr to Rs. 200 cr.</li> </ul>
2.	<b>Further issue of Share Capital</b> Section-42 and 62	<ul style="list-style-type: none"> <li>• <b>Section 42 (Private Placement):</b> Now covers "other schemes linked to share capital value" in addition to ESOPs.</li> <li>• <b>Section 62 (Rights Issue/Further Issue):</b> ESOPs extended to include value-linked schemes.</li> </ul>
3.	<b>Buy-back</b> Section-68	<ul style="list-style-type: none"> <li>• Buy-back limit for prescribed company classes may be raised beyond the standard 25% of paid-up capital and free reserves.</li> <li>• Prescribed companies may conduct up to two buy-backs per year (gap of at least 6 months between offers).</li> <li>• Affidavit verification for buy-back declaration abolished.</li> <li>• Penalties increased substantially- listed companies: Rs. 25 lakh (company), Rs. 5 lakh (officer); others: Rs. 2 lakh each</li> </ul>
4.	<b>CSR</b> Section-135	<ul style="list-style-type: none"> <li>• <b>Applicability Threshold:</b> Raised from Rs. 5 crore to Rs. 10 crore net profit (or such sum as prescribed) for CSR obligation.</li> <li>• <b>Transfer Deadline:</b> Unspent CSR amounts to be transferred to special account within 90 days (up from 30 days) of financial year end.</li> </ul>

S. No.	Area	Key Changes
		<ul style="list-style-type: none"> <li>• <b>Maximum Penalty:</b> Raised from Rs. 50 lakh to Rs. 1 crore (or higher as prescribed).</li> <li>• <b>Exemption Category:</b> Prescribed classes of companies may be completely exempted from CSR provisions, a significant new carve-out.</li> </ul>
5.	<b>General Meetings</b> Section 96, 100 and 101	<ul style="list-style-type: none"> <li>• <b>AGMs:</b> Companies may now hold AGMs physically, virtually (video conferencing), or in hybrid mode. If members requisitioning the meeting (as per Section 100(2)) request hybrid mode, the company must comply. However, AGMs must be held in physical mode at least once every three years.</li> <li>• <b>EGMs:</b> Similar hybrid/virtual mode provisions introduced for EGMs.</li> <li>• <b>Notice:</b> For EGMs held wholly virtually, notice period may be reduced to 7 days.</li> </ul>
6.	<b>NFRA Restructring</b> Sections 132, 132A-132K	<ul style="list-style-type: none"> <li>• The Bill intends to transform NFRA into a fully autonomous body corporate with its own dedicated fund, expanded disciplinary powers (including advisories, censures, and mandatory training orders), and a self-contained enforcement framework under new Sections 132A-132K.</li> <li>• Auditors of NFRA-regulated entities would mandatorily register with NFRA and file periodic returns, with stiff penalties for default or misrepresentation.</li> </ul>
7.	<b>Board Meetings</b> Section 173	<ul style="list-style-type: none"> <li>• The requirement to hold Board meetings in each half of a calendar year (with minimum 90-day gap) is replaced with simply "once a calendar year", this relaxes the frequency obligation for One Person Companies, Small Companies and other applicable entities.</li> </ul>
8.	<b>Fast Track Mergers</b> Section 233	<ul style="list-style-type: none"> <li>• <b>Creditor approval threshold reduced</b> from 9/10ths to 3/4ths by value.</li> <li>• <b>Member approval requires</b> majority holding at least 75% by value (of members present and voting).</li> <li>• Regional Director's approval may include additional terms and conditions as may be prescribed.</li> </ul>

S. No.	Area	Key Changes
9.	<b>Valuation</b> Section 247	<ul style="list-style-type: none"> <li>The Insolvency and Bankruptcy Board of India (IBBI) is designated as the Valuation Authority under Section 247.</li> <li>Appeals against IBBI valuation orders lie before the Appellate Tribunal (NCLAT) within 45 days</li> </ul>
10.	<b>Compounding Limit</b>	<ul style="list-style-type: none"> <li>Raised from Rs.25 lakh to Rs.1 crore</li> </ul>

#### **B. AMENDEMENTS PROPOSED TO THE LIMITED LIABILITY PARTNERSHIP, 2008**

S. No.	Area	Key Changes
1.	<b>Incorporation of LLPs</b> Section 11	<ul style="list-style-type: none"> <li>Specified IFSC LLPs must specifically state their objects as financial services activities permitted under the IFSCA Act, 2019.</li> </ul>
2.	<b>Valuation Provisions</b> Section 33A (New)	<ul style="list-style-type: none"> <li>Valuation framework under Section 247 of the Companies Act, 2013 shall apply mutatis mutandis to LLP contributions, assets, net worth, and liabilities.</li> <li>This is a significant cross-reference that imports the registered valuer regime into the LLP framework.</li> </ul>
3.	<b>Reduced Filing Obligations for SEBI/IFSCA-Regulated LLPs</b> Sections 23 & 25	<ul style="list-style-type: none"> <li>Changes in LLP agreement (Section 23) and changes in partner detail (Section 25) for SEBI/IFSCA-regulated LLPs may be reported on an annual basis rather than within stipulated timelines, subject to prescription of specific class rules.</li> </ul>
4.	<b>Filing/Registration in Foreign Currency</b> Section 68	<ul style="list-style-type: none"> <li>Specified IFSC LLPs may be required to file documents with the Registrar using a permitted foreign currency, but fees, fines, and penalties must continue to be paid in Indian Rupees.</li> </ul>
5.	<b>Adjudication of Penalties</b> Section 76A Amendments	<ul style="list-style-type: none"> <li>LLPs and their partners/designated partners may now apply for adjudication of penalties under a new sub-section (1A).</li> <li>Transitional mechanism introduced for pending court proceedings relating to offences now decriminalised and converted to adjudicable penalties, to be handled under a Central Government Scheme.</li> </ul>

**B&P View:**

The Corporate Laws (Amendment) Bill, 2026 marks a significant step toward modernising India's corporate legal framework by balancing regulatory rigour with ease of doing business. Through targeted decriminalisation, streamlined restructuring processes, stronger oversight mechanisms, and a forward-looking push for the IFSC ecosystem, the Bill reflects a clear intent to enhance transparency, accountability, and global competitiveness of Indian corporate entities.

The draft of the Corporate Laws (Amendment) Bill, 2026 can be accessed [here](#)

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