

---

# ***India: Ministry of Corporate Affairs (MCA) - Rules amendment relaxing mandatory audit firm rotation for private companies***

In June the Central Government adopted MCA-proposed amendments to the Companies (audit and Auditors) Rules, 2014 including the [relaxation of mandatory audit firm rotation requirements](#) for private companies.

The Companies Rules previously required private companies with paid-up share capital of Indian rupee (INR) 20 crore (approximately \$200 million US) or more to not appoint or reappoint an auditor for more than two consecutive terms of five years each. Paid-up share capital is the amount of money a company has received from investors in exchange for shares/equity.

The amendment raises the paid-up share capital threshold to INR50 crore (approximately \$500 million US) or more.

This amendment is one of the latest efforts by the MCA to ease regulatory burdens on companies.