



THE CORPORATE & COMPLIANCE UPDATE



MCA Amends Fast Track Merger Rules

www.clasislaw.com | info@clasislaw.com

MCA Amends Fast Track Merger Rules

The Ministry of Corporate Affairs (**MCA**) has, vide its notification dated 15 May 2023 (**Notification**), amended Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (**Merger Rules**) to expedite the approval process of the fast-track mergers. This Notification shall come into force on 15 June 2023.

As per the amended Rule 25 of the Merger Rules, the Central Government (i.e., Regional Director (**RD**)) shall have a period of 30 (thirty days) (**Waiting Period**) to wait for the objections and/or suggestions from the Registrar of Companies (**RoC**) and the Official Liquidator (**OL**) on the scheme of merger (**Scheme**). The timelines for the confirmation/approval of the Scheme under fast-track route shall be as follows:

- (a) The RD to confirm the Scheme within a period of 15 (fifteen) days post expiry of the Waiting Period if:
 - (i) no objection or suggestion is received from the RoC and the OL prior to the expiry of the Waiting Period, and
 - (ii) the Scheme is in public interest or in the interest of creditors.

(b) The RD to confirm the Scheme within a period of 30 (thirty) days post expiry of the Waiting Period if:

(i) any objection(s) or suggestion(s) is received from the RoC and/or the OL prior to the expiry of the Waiting Period,

(ii) such objections or suggestions are not sustainable, and

(iii) the Scheme is in public interest or in the interest of creditors.

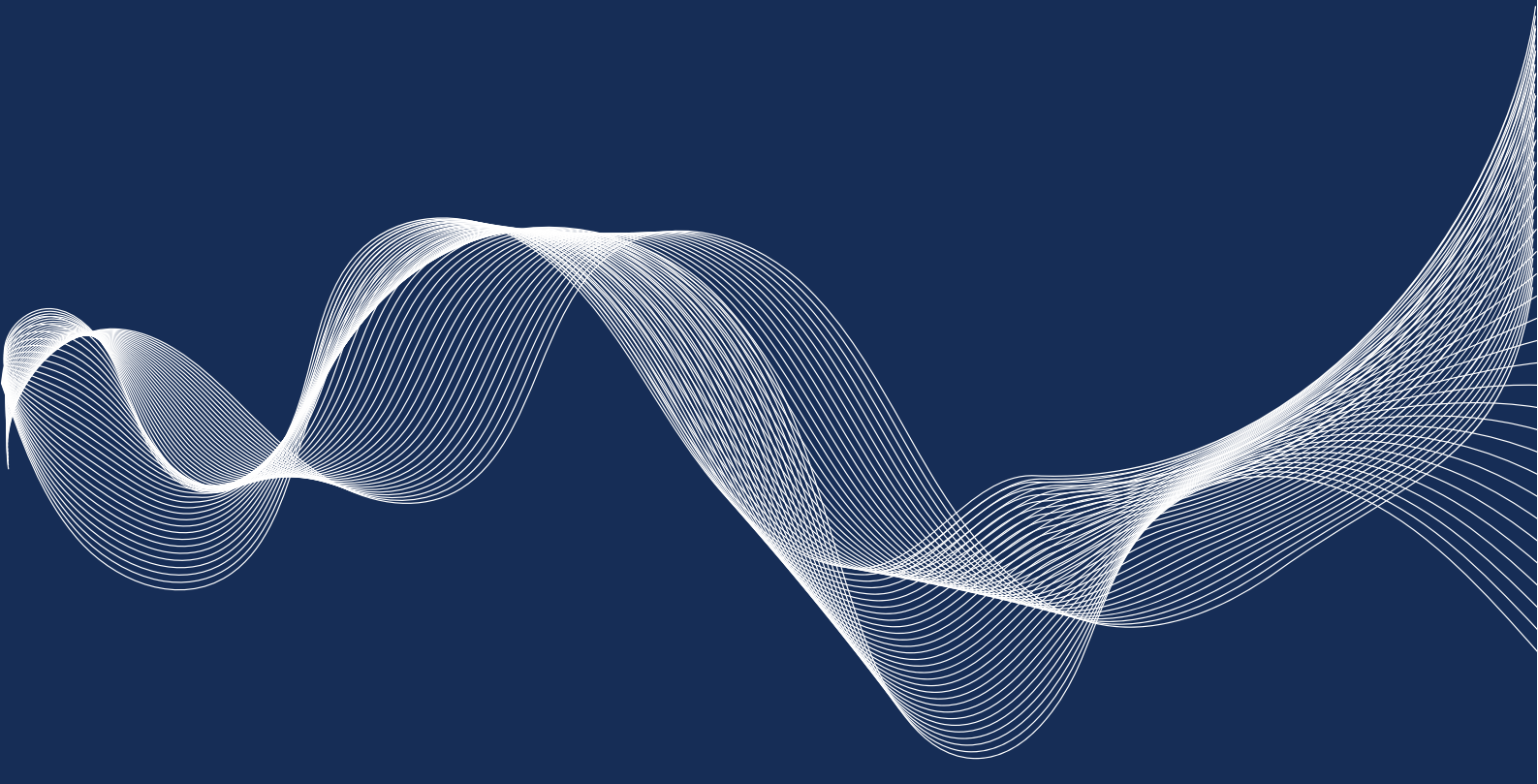
(c) In case the Scheme is not in public interest or in the interest of creditors, then within a period of 60 (sixty) days from the date of receipt of Scheme, RD will file an application before the National Company Law Tribunal to consider such Scheme.

(d) The Scheme shall be approved automatically if prior to expiry of a period of 60 (sixty) days from the date of receipt of Scheme:

(i) no confirmation order is issued by the RD under (a) or (b) above; or

(j) no application is filed by the RD under (c) above.

.....



For further information on this topic please write to us at info@clasislaw.com or visit our website at www.clasislaw.com

Disclaimer: This publication is not intended to be a comprehensive review of all developments in the law and practice, or to cover all aspects of those referred to herein. This publication has been prepared for information purposes only and should not be construed as a legal advice. Although reasonable care has been taken to ensure that the information in this publication is true and accurate, such information is provided 'as is', without any warranty, express or implied, as to the accuracy or completeness of any such information.